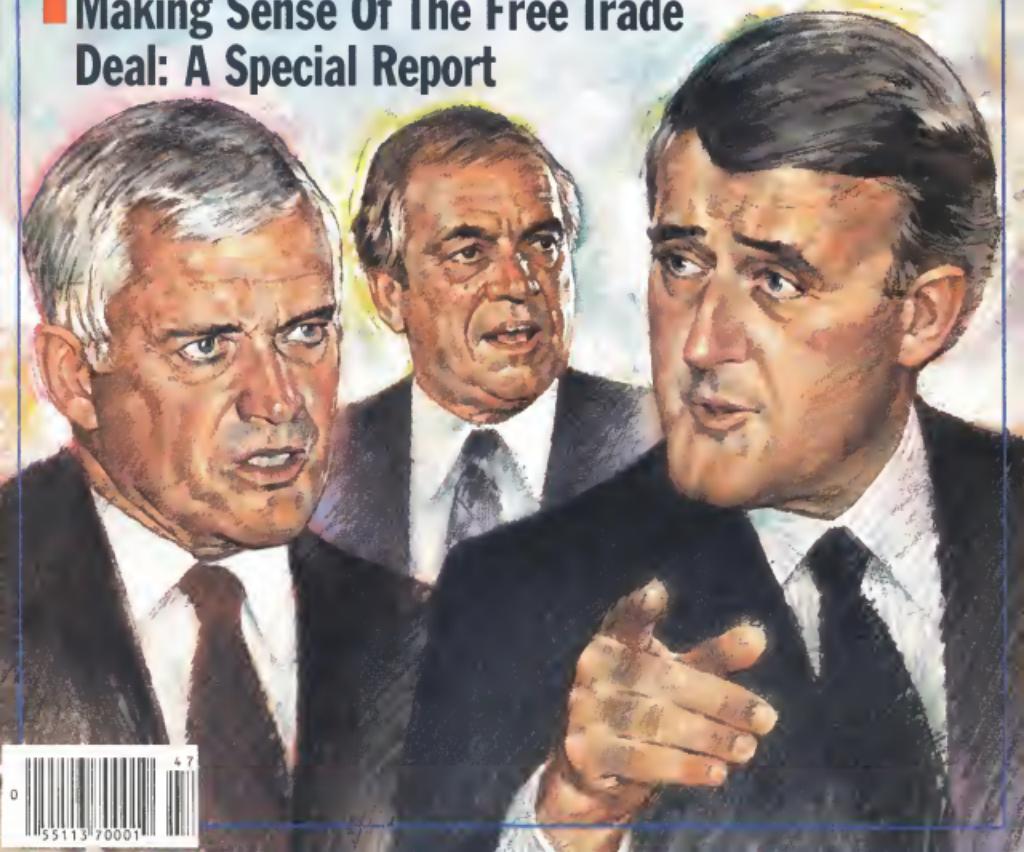


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- Exclusive Interviews With The Leaders
- Making Sense Of The Free Trade Deal: A Special Report



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2 pita bread
2 tbs mustard
1/4 cup mayonnaise
1 can (8 1/2 oz) Clover Leaf Church Light Tuna, drained and flaked
1/3 cup finely sliced cucumber
1/4 cup grated Cheddar cheese
2 tbs sliced olives
1 firm ripelet tomato, sliced
1/2 cup alfalfa sprouts
Poppy seeds

*Spiralize 1/4 teaspoon mustard and mayonnaise. Spread over rounds. Layer over remaining ingredients to make 1/2" pita rollups. Roll up and secure with toothpicks. Cut radii in last 2" from 4.



CREAMY CLAM BUNS

For a creamy and delicious change of pace, all you need is a can of rich, hearty Clover Leaf New England Clam Chowder—and your microwave!

4 oz cream cheese
1 can (10 oz) Clover Leaf Clam Chowder, undiluted
2 tbs chopped green onions
1 tbs horseradish
1/4 cup poppy seeds
2 tbs split and toasted Panko

Divide clam juice into mixing bowl. Add resto' style butter. Spread cream cheese over each spoonful onion and horseradish. Blend over 4 ingredients into salmon pieces. Press over vegetables. Cook over medium heat, stirring gently until eggs begin to set. Add salmon chunks and onions. Cook until eggs are firm. Serve 2.



SALMON SCRAMBLE

Whip up an elegant brunch, lunch or light supper dish with handy everyday ingredients and great-tasting Clover Leaf Salmon. (For extra eye appeal, try colourful red Sockeye.)

1 can (7 1/2 oz) Clover Leaf Salmon
2 tbs butter
1/4 cup chopped green pepper
1/4 cup chopped green onions
3 eggs
1/8 tsp milk
1/2 tsp chili powder
1/8 tsp salt and pepper
1/8 cup chopped tomatoes



Canadians Other Famous Leaf.

TUNA STIR FRY

Combine with colourful oriental-style vegetables. Clover Leaf's fine cut sashimi—and your microwave—star up excitement in minutes!

1 can (7 oz) Clover Leaf Sashimi White Tuna
1/2 cup sliced green pepper
1/2 cup sliced mushrooms
1/3 cup sliced baby corn
1 tbsps cornstarch
1 tbsps water
1 tbsps soy sauce
1/4 cup sliced Sherry
Pinch garlic powder

Drain tuna liquid into a 1 qt. microwave dish. Stir in meat, peppers, mushrooms and water. Microwave covered, at high for 3 min., stirring halfway through cooking period. Continue remaining ingredients and vegetables along with tuna. Serve with choice of rice. Microwave, covered, at high for 2-2 1/2 min. or until ready, stirring halfway through cooking period. Let stand covered for 2 min. Serve 2.





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James Michener's new novel marks the author's first excursion into the wilds of Canada's North.

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COVER ELECTION COUNTDOWN

As Canadian voters prepare to choose a new Parliament and government next week, the harsh debate over the free trade deal has eclipsed all other election issues. The contradictory claims of candidates and supporters have heightened the confusion. In a 16-page examination of the complex free trade document, Maclean's offers a point-by-point explanation of the terms of the deal. — PTI



SPORTS

LOOKING AT STEROID USE

An inquiry in Toronto this week will try to establish whether or not former Olympic star Ben Johnson used anabolic steroids. It also will look into how widely the banned chemicals are used by other Canadian athletes. Last week, Johnson told Maclean's that he had not "knowingly" used steroids. — 45



WORLD

BUSH SWEEPS TO VICTORY

Republican George Herbert Walker Bush swept to a 40-state triumph over Democrat Michael Dukakis to be elected the 41st president of the United States. But the easy loss of the campaign—and Democratic control over Congress—seemed to promise the president-elect four years of conflict. — 36

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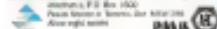
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LETTERS

REST IN PEACE

I just don't believe it, another article about John Lennon ("The stars over John Lennon," Cover, Oct. 17). It seems like every time I approach the magazine section of a store, I see one more picture of Lennon and one more expand as his form shrinks. It appears he cannot go on for the living until every aspect of Lennon's private world has been dissected. Why the obsession? Lennon was honored by the public while he was alive. John Lennon is dead. Let him rest in peace.

Mary Frazee,
Victoria

Your cover story on John Lennon goes Albert Goldstein, author of *The Case of John Lennon*, exactly what he deserves, Goldstein said. There was a lesson among this peace-loving, violence-hating rock 'n' roll leadership that would very much like to see you kick it and wop off this planet. I assumed that section has to be as respect for the dead as for the joy that Lennon brought his fans! The only place that this book deserves to go is into the fire.

Alouette dePrax,
Brudenell, Ont.

REJUVENATING CHANGES

I am an editorial guru. Let the time was ripe for Robert Fulford to depart from Saturday Night magazine ("Frost runs, comes," Books, Oct. 17). I cause considerable delay in letting my subscription lapse because the articles had become so horrendously long that Saturday Night was beginning to resemble a book-of-the-month club. Accusations to John Fowles, who has re-created a dynamic and tantalizing image, are terrible for those desiring to read more than one quality publication a month. Contrary to the start of your article, both Fulford and Conrad Black were winners in the new arrangement. Fulford went on to new horizons and Black got a rejuvenating start in the arts for his magazine.

Melissa Wright,
Toronto

UNFAIR DESCRIPTION

The quality of article in Maclean's is unusual by itself. However, your story about federal court judge Marlene Baker and the free trade agreement (which does not meet our high standards ("Divided on free trade," Canada Oct. 31)) has done her long 72-year-old grey-haired, bespectacled mother of three and grandmother of six, married to the same man for 48 years, a bit what she has to say about the Canada-U.S. trade pact? Perhaps International Trade Minister John Crosbie,



Lennon and wife, Yoko Ono, honoured

above picture and opinion are included in the article, should be described as a grey-haired, bespectacled, overweight father and grandfather. What you consider a fair description of Baker should also apply to Crosbie.

Doris E. Silcox,
Educator

SUBTLE MEANINGS

In your Nov. 3 issue, you printed an article about hunting ("Shooting to kill," Wildlife) in which there was an omission—but which presented right, two articles ("National war," Maclean's, and "A better test," Holt) in which there were omissions—but again, while—presented status quo. Does this mean that Maclean's finds more value in the life of an animal that it does in the life of a human being?

William Gourley,
Brudenell, Ont.

LEAPS OF FAITH

I read "The first few new information" (Media Watch, Oct. 30). George Bush states that "It falls on the media to decide what is to be conveyed to the mass public. But when the government is trying to implement a bill of such magnitude as the Canada-U.S. trade pact, surely it is accountable on the government to ensure that Canadians are given complete information about the contents of the deal. We should not have to rely solely on the expertise of the media. So far, the Tory government has failed to do so. It is too much to expect its



PASSAGES

OBIT: Rev. David Bassar, 64, the independent priest who, in the 1960s, maintained respectability to Canada's international hockey clients of gayosso cancer, as a Goderich, Ont., hospital near his family's cottage. A junior-hockey star, the native of Kitchener, Ont., grew up a popular high school for the priesthood in 1949. He became a teacher and hockey coach at Toronto's St. Michael's College School, which produced many hockey stars. In 1962, Bassar, who argued that players should develop love of value amateur hockey, founded and oversaw a prestigious national team just as college students. His program was a bronze medal in 1966. The last Olympic hockey medal was won by Canada.

OBIT: Rev. Thomas E. McDearmon, 84, who was president of the Royal Canadian Legion from 1970 to 1972. In a heart attack after collapses on Washington, D.C., telecast, McDearmon, Nov. 1's defense attorney general and head of his 1972 re-election campaign, was convicted of conspiracy, obstruction of justice and perjury. A lawyer, McDearmon was delivered and worked as a consultant after being released from jail.

OBIT: Senator Nikolai, 81, of heart attack after collapses on Washington, D.C., telecast. Nikolai, Nov. 1's defense attorney general and head of his 1972 re-election campaign, was convicted of conspiracy, obstruction of justice and perjury. A lawyer, Nikolai was delivered and worked as a consultant after being released from jail.

OBIT: Socialist painter and sculptor Ernest Lachasse, 91, in Saskatoon. The internationally acclaimed Austrian-born artist came to Canada when he was 30. He is best-known for his detailed depictions of northern woods, with special emphasis on the cycle of nature's process of birth, growth, death and decay. Lachasse was a member of both the Royal Canadian Academy of the Arts and the Order of Canada.

take such a great leap of faith based solely on the hyperbolic rantings of partisan politicians.

Bob Coates
Toronto

PAINFUL HISTORY

In the article "Belief of a dictator" (World Oct. 17), you have succinctly summarized the painful history of Chile from the time it was Latin America's ideal democracy through the past 15 years under the Pinochet dictatorship. What can be forgotten is the role played by the CIA, with direction from Whittington, that gutted the Chilean democracy, along with orders from the White House to "make the Chilean economy scream." A sobering thought comes to mind: a former CIA director will now occupy the same White House.

Bob Sengenbach
Barrie, Ont.

FORGETTING MAJOR PLAYERS

I have waited. Nothing more has been passed. Marquis's eulogy for deaths of Félix Leclerc and Jean Marchand with two small columns (Postmag, Aug. 22, Sect. 10). How can you be Canada's worthy representatives when you forget people who have played major roles in Canada's recent history?

Lois Gruer
Cheltenham, Ont.

'AN ICICLE IN HELL'

The Oct. 17 issue of Maclean's contained what in, in my view, a remarkable coincidence. That issue contained "Finger fight," an article on the Conservative alliance (Aviation), as well as the opinion of economist John Kenneth Galbraith ("An uncertain nation.") Biron said. It was Galbraith who wrote in a letter to the

London Times, April 5, 1971, that "there isn't a chance approaching that of an icicle in hell that the Conservative will ever be allowed to touch down in American imports." What tongue in cheek. I suggest that the professor should have followed his current advice—now predictions to the same conclusion.

William J. Phillips
Markham, Ont.

BACKSTABBING PEERS

In "A virtual debate" (Canad., Oct. 24), you mentioned "voters' questions" of John Turner's constituency, a leader. Few leaders have had to deal with the difficulty and backstabbing Turner has experienced from high-profile people within his own party. Their so-called Liberals have not only failed to give him support but appear to have put their own party and selfish egos under last for power ahead of

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for interests and only of their own party and its leader. Turner has handled all of it with integrity and perseverance and has shown himself to be a class act. If the Liberals lose this election, the Blaauw will very likely fall on Turner, instead of where it belongs with his own party peers who failed to support him.

Margaret Peart
Markham, Ont.

LITTLE-KNOWN FIGHTER

World Boxing Council light-heavyweight champion George Lokes is a "little-known" Canadian because he is from Winnipeg ("Fighting for glory," Sports, Oct. 30). I can assure you that if Lokes were from Toronto, he would have been on the cover of *Maclean's* the week after he won the title.

D. Michael Johnson
Winnipeg

AWARD-WINNING ACT

John Turner deserves an acting award for his performance during the party leaders' TV debates ("An election rating panel," Canada, Nov. 17). Unfortunately, the passion and commitment displayed on TV were shared with the red half his caucus instead of two coalition seats in Parliament on the issue of free trade. I think Turner has discovered that as the ace that might save his political cred.

David Bell
Surrey, Ont.

DISGRACEFUL ATTITUDE

It is令人 to see that a man connected to a Conservative which he does not even know the name of wants to offend and who does not care about his voluntary service can receive a seat on the Senate ("Senate: The price of partisanship," Oct. 31). The man is guilty of an abominable violation of partisanship rules. His conduct attitude is a disgrace, and it is not surprising his fracture could only cause \$500.

Brian Kennedy
Kitchener

MERE SIMULATION

First was a lovely picture of Brian Mulroney "visiting" a Georgia College flight simulator ("The new tricks is an old trade," Cover, Oct. 31). What you neglected to mention is that this picture was a phony setup. The federal government under Mulroney's tutelage has pulled the plug on funding Georgia for this type of training, and, on the day this picture was taken, everyone had to scramble around and dig up props to illustrate what used to be. The Conservatives have very quickly pulled a lot of plugs on funding valuable ventures, such as the training centre above, in favour of giving Quebec and the Maritimes huge grants to carry this later at election time.

William and Judy Muir
Newmarket, Ont.

When you mention "the country's booming economy" in "The new tricks is an old trade," don't you mean "Canada's booming economy"? Your article was misleading. This might be relevant to think that their prosperity is being borrowed money from the states and can just go to the Golden Triangle.

Bob Westervelt,
Winnipeg

OUTRAGEOUS OFFENCE

Reading your article concerning Dr. Brian Chouinard ("The new tricks is an old trade," Cover, Oct. 31) was outraged to think that the cia had engaged in drugging and brainwashing people without their knowledge. Although the CIA is not completely responsible for the damages incurred by most of the people American experienced as, it did provide funding for these experiments. The case of MK-ULTRA does not address the serousness of the offence, and I feel the CIA should be held more responsible. The CIA has been exposed as the part for unethical practices, but an opinion like this makes me wonder about the authority of such a powerful organization.

Edmund Ropponen,
Vancouver

Letters are edited and may be condensed. Letters should contain no more than 250 words. Send to: Letters to the Editor, Maclean's Magazine, Maclean's Building, 277 Bay St., Toronto, Ont. M5J 1A7.

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The Human Energy Behind Nuclear Energy
Dr Eve Rosinger is the Director, Waste Management Concept Review with Atomic Energy of Canada Limited (AEC). She is responsible for managing all aspects of the review of AEC's concept for used nuclear fuel disposal. Dr Rosinger has an M.Sc. degree in Chemical Engineering and a PhD in Chemistry and has been involved in the radioactive waste program since 1976. Dr Rosinger has been here at the used fuel storage bay at Gentilly 2 Generating Station in Quebec.

Nuclear Waste in Canada WHAT'S IN STORE

It looks just like a swimming pool. You can walk around it and gaze into the luminescent blue water. And while you might be tempted to dive in, the purpose of this pool is far from recreational.

"This is where we store used nuclear fuel", explains Dr. Eve Rosinger, a scientist with the team responsible for waste disposal research.

"CANDU reactors are powered by fuel bundles made up of uranium pellets sealed within zirconium tubes. Bundles are harmless to handle before they're put in the reactor. However, upon removal a year and a half later, they are highly radioactive and must be treated with respect."

On-site Storage

The used fuel is stored at electricity generating stations - each station has its own pool. Ordinary water cools the fuel and shields workers from radiation.

"This storage method has been used safely since 1962 when Canada's first nuclear power plant went into operation. And it will continue to be used in the future. But if we did nothing more, future generations would have to continue to monitor and maintain the storage facilities."

"Nuclear reactors produce very little used fuel. The total amount in Canada by the year 2000 would fill only three Olympic-size swimming pools."

Permanent Disposal

"Since 1978, members of Canada's scientific and engineering community, government departments, universities and private industry have been working together on a multi-barrier concept of disposal. In this concept, used fuel bundles

would be enclosed in a corrosion-resistant container. The containers would be buried in an engineered vault deep in the rock of the Canadian Shield, one of the most stable geologic formations in the world."

"Today after many years of research, we understand enough to say with confidence that used nuclear fuel can be safely and permanently disposed of in this way."

This concept for permanent disposal is now being prepared for an independent environmental review and public hearings. Site selection will not occur until the concept has been accepted.

Environmental Responsibility

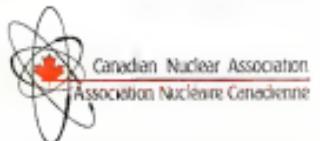
"Nuclear energy offers an environmentally clean and efficient method of electricity production - it does not contribute to acid rain or the greenhouse effect."

"The nuclear industry has taken responsibility for its used fuel from day one. We do know how to handle it. Used nuclear fuel represents only a small fraction of all toxic wastes produced by industry."

"I believe that the technologies we are now developing for permanent disposal of used nuclear fuel will one day be used in dealing with other kinds of toxic waste."

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COLUMN



The panic over free trade

BY DIANE FRANCIS

I am a weary and dozy day in Montreal in a look down from my hotel room onto the newly named Boulevard René-Lévesque. I am at the tail end of an exhilarating book-promotion tour and I am resting between radio stops. Suddenly, on my last day of touring, a lady wants to talk about my book. Free trade, not white-collar crime, is the hot topic—whether it is on open-line shows at airport lounges, airplanes, hotel lobbies or restaurants. Nobody has been listening to the free trade debate for so many years, while people like me have been writing about it since the Rossman government, this beneficial trade policy is in peril.

The root of the problem is that the sober have come to the issue late, at the tail end, and they have not mustered up their minds. This is a terrible mistake because there probably remain a few Americans available about the deal than any other in history. The media, economists, think-tanks and academics have been encouraged for years with it, but the public canes have been reading garbling or advice columns instead. "It is true that free trade will wreck the environment and our culture," writes a Winnipeg housewife on a flight across the Prairies. "I don't want to give up my pension or medical benefits," and a referee on the same flight. Is a mathill concern that the deal robs us of our environment, Canadian culture, agricultural businesses, water, energy, pensions or medical plans an pure poppycock. And I have tracked the deal carefully.

Now faced with little time and less inclination to become experts, voters park with the Liberals. People are perplexed, as partake that our economic model and so-called experts who disagree emphatically. Besides that, most Canadians have been spending the last two years raising kids, paying mortgages and working hard at their jobs. The educated and frightened choose John Turner because he expresses their doubts into his ill-informed questions and, unlike Edward Broadbent, is leader of a relatively safe alternative party.

Brian Mulroney must offer voters a referendum after free trade has been in effect for two or three years'

Most depressing of all are headlines like "Free trade starts almost driving jobs south." The Toronto Star quotes a businessman protected by tariffs who says that he has lost 60 of his 1,200 Canadian workers and opened a solo plant in Minnesota in anticipation of free trade. Missing from the story is the context that if the deal does not go through, and he still hopes to sell into the U.S. market, he will probably have to shift every name of his operation down south.

The average tariff on American goods entering the Canadian market is 2.8 per cent—the figure is low because 95 per cent of those imports pass duty-free. But for goods entering the United States, the average is only 1.7 per cent. The principle behind free trade was originally through the removal of most of those tariffs and, without it, U.S. businesses will claim for Canada's most tariffs and removal of our currency advantage.

Interestingly, as I travelled, mostly easily and passengers in the economy seats had doubts, unlike most men and those in business class. One such attendee was distraught because his German parent company would have to strip manufacturing plants for Canada if the deal did not go through. He had a listed transfer to the

United States. One Toronto food-processing executive said that without the deal, his U.S. parent could not understand production in Canada and would not want to move its plant to Canada to serve the same customer base there as its Canadian operation. Canada's lower labor rates and a stronger dollar—this was its lowest-cost producer at North America.

Without free trade, the branch plant stays in or leaves. With free trade, most of Canadian manufacturing will reap the same benefits derived from the Auto Pact, a section free trade deal. Next year, about 15 per cent of all cars and trucks assembled in North America will be assembled in southern Ontario because Canadian labor rates, work hours and productivity attracted billions of dollars worth of investment into foreign-owned automakers.

But headlines do not reflect such economic realities. That is because the political writers have begun writing about economics in this election. It is also because people will not accept that getting a fix on free trade is like trying to profit in a well. Besides, businesses with concerns often cannot go public—their image losses are often reflected to the media as a negative political force or unwilling to tip competitors of about their plans. For voters who want an outcome, about the only one is that the future with or without free trade, in uncertain. That is hardly profound, and yet the response nature of broadsiding has been twisted by free trade opponents to "prove" that the Tories are hiding information from the public. Meanwhile, these same critics would ask us to believe their data projections.

By all credible and reasonable economic accounts, free trade is beneficial to both sides but the extent of benefits cannot be quantified without spud other economic assumptions. The lesson for the business is simply that the deal has not happened. It is an aggressive Liberal cabinet minister and free trade guru Donald MacLeod says, "a leap of faith."

That leap scares voters even though the economic history of Canada is a litany of such losses—from the St. Lawrence Seaway Authority Act, the Auto Pact, the new Competitive Act and dozens of other economic treaties with our neighbor which have probably, but often imperceptibly, shifted our lives. That is why, watching the race on Boulevard René-Lévesque, I thought the key to solving the situation Lévesque was elected despite a divisive agenda because he promised the people a referendum. Similarly, the only way to judge free trade is to try it. Since Mulroney must offer voters a referendum after it has been in effect for two or three years.

I am the first to admit that Mulroney may be the wrong bringer, dug as he is by scandals. Moreover, John Turner poses the biggest threat to our social programs—staggering spending promises, and the same electorate lets him get away with it. Even more depressing in the slide in our dollar and stock markets is a direct result. And to those who would say, So what if business or foreigners do not like it, I would be the first to agree that it is nobody's business what we do in Canada. But nobody has to do business with us either.



COVER/SPECIAL REPORT

Election Countdown



Exhausted and dejected, John Turner was slumped in the backrest of his chair, four-drops wrinkles etched through the northern New Brunswick countryside. It was Oct. 18, nine days into the campaign, and the Liberal leader had just delivered a rambling, 30-minute speech on tax reform to about 1,500 voters in a Carpet, N.B., hockey rink. Now, as Turner and his tour director, Douglas Karpinski, drove to meet the Liberal campaign, pause an hour and a half away in Chatham, N.B., the two men searched for a way to breathe life into the party's leadership drive to the Nov. 21 elections. As Turner saw it, the help part of his travelled stamp speech that invariably brought supporters to their feet was his blunt attack on the Canada-U.S. free trade agreement. "That's what gets people roused up—the rest just isn't working," said Turner. Then, from on, he and Karpinski decided, the Liberal leader would throw every bit of his oratorical and conversational muscle at defending his

NINE DAYS INTO THE CAMPAIGN, JOHN TURNER MADE A DECISION THAT REVIVED THE LIBERALS

passionate appeals to Canadian nationalism. That decision may have saved the Liberal campaign. The next night, in Sydney, N.S., Turner put aside a planned speech in regional development and launched into an emotionally charged assault on the trade pact. And about 1,000 Liberals crowding the International gymnasium leapt every note of it, interrupting

him five times with standing ovations. Later, Turner's advisers would look back on that night as a watershed in the country's 35th federal election—the moment when the Liberal campaign, crippled by debt, internal dissension and rock-bottom morale, became a singular crusade. Newly invigorated, Turner outshone Prime Minister Brian Mulroney and New Democratic Party Leader Ed Broadbent in the televised leaders' debate on Oct. 24 and 25. By tapping into Canadians' deeply rooted concerns about American economic and cultural domination, Turner transformed what many observers had predicted would be a Tory landslide into an election too close to call.

Mulroney fought back vigorously against the Liberal assault, but a spate of public opinion polls released last week showed that the Tories and the Liberals were locked in a seesaw battle for first place, with NDP support dwindling. Barring another dramatic shift in public sentiment, the polls suggested that no party was likely to form a majority government after Nov. 21—a result that would almost certainly

Mulroney in Mississauga, Ont. (left), Turner in Windsor, Ont. on single issue

scuttle the trade agreement. At week's end all three party leaders discussed their free trade positions and the market changes in the campaign in an interview with *Maclean's* (pages 21 to 22). For his part, Mulroney said that he intends to restructure the legislation to put the trade deal into effect, even if the Tories are re-elected, with no authority to govern. But Broadbent said that he would not co-operate with Mulroney to implement the new free trade agreement.

At the campaign's end of the final speech, Ed Broadbent issued a broad hint of his intentions to Turner. Among their threats, Turner also implied how he would pay for the new Conservative budget. The Liberal campaign promises, particularly since he has also vowed to cancel the Tory government's planned new nuclear sites, can be Peacock Minister Michael Wilson. Blasted the Tory attack somewhat by saying that several billion dollars' worth of projects that the Tories announced in the months leading up to the campaign—including the Hibernia and Légaré subsea energy megaprojects—could not be called election spending priorities. Instead, Wilson called the Tory neoconservative government's "spurious commitments" to be financed from revenue reversal.

As for the uncertainty over free trade across Canada, says MacLean's, voters are looking back over the campaign and wondering how their carefully laid election plans will go away. Says Steve to us to argue that Mulroney had maintained the free trade issue over the past three years by treating it as one of his government's top priorities. In doing, some advisers said, the Tories give the two opposition parties an easy target. Said one voter, "We made a dreadful mistake. Free trade in its name was a clever but you could not convince anyone of that. Instead, we believed it was a big issue and three people's attention to it." Another senior Tory campaign operations director Harry Neer, ac-

knowledged to *Maclean's* that the government had miscalculated the potential public backlash against the trade pact. Said Neer, "Canadian left Canadians on the same side and they are not trade at a charge."

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DECISION 1988

National Notes

GOOD-NEIGHBOR POLICY

An agreement between Quebec and Ontario to share traffic violation information will take effect next April. Under the arrangement, the provinces' highway patrols—a protocol from one province who is convicted of a driving offence in the other will have discretion points deducted from his license.

YUKON LAND CLAIMS

After more than 15 years of land claims negotiations, Yukon Indians reached an agreement in-principle with the federal and territorial governments. The deal values more than \$125 million in cash payments and 16,000 square miles of land—about three-quarters the size of Nova Scotia—or 6,500 miles who have one-quarter of the territory's population.

NEW GATT CHAIRMAN

Belatedly, the General Agreement on Tariffs and Trade chose John Weeks, Canada's ambassador to the GATT, as their new co-chairman. The GATT's general council of 130 countries will meet in June among 96 member countries.

ANOTHER PRESS CHARGED

Lawyer John Corrigan, a Roman Catholic priest in St. John's, Nfld., was charged with new sexual offences against two boys, between 1981 and 1988. Two months ago, Rev. James Bishop of St. John's received a five-year sentence after pleading guilty to similar charges.

LEARING A MURKIER

Ontario Attorney General Jim Scott has delayed the release from February of a letter written by a Sarnia, Ont., lawyer who served as a Sarnia city councilor, from 1985 to 1987. The letter was a maximum three-year sentence for murder for paths under the age of 18.

SMOKING BOMB

Health Canada is charged that just past regular health warnings on cigarette packages, to take effect next Oct. 31, are too weak and a sellout to the tobacco industry. The organization wanted warning to take up 50 per cent of the space on a package. The proposals would have the warnings cover 20 per cent of the package.

DAMMER SHINKS

The \$5,000 fee of timber Ontario loggers must pay, freight for and sailing the oil-and-Asbestos stores while halfway to the Newfoundland destination. Shinkshs found two charged libelous but none of the 27 cases involved.

BARRING ANOTHER DRAMATIC SHIFT, MAJORITY GOVERNMENT IS UNLIKELY

the photographer who has censured dooms on behalf of local NDP candidate for Etobicoke. "People may still support Turner because it is the best way to defeat free trade," says one of the few people who had spent years predicting the rise of a Canadian U.S. trade deal. As far back as 1984 economist Richard Lepage of the C.D. Howe Institute, a Toronto-based conservative think-tank, has been an advocate of expanded—and subtler—trade between the two countries. Last week, Lepage complained that the Tory government had squandered the chance. "The Conservatives never understood that the fate of free trade was going to be decided by the great mass of average Canadians, not the business and intelligentsia who read *The Globe and Mail*," says Lepage. "They did nothing while a grassroots movement grew up under their noses."

Another diverse free trader, political scientist Peterlyn Lyon of Ottawa's Carleton University, was also critical of the Turner strategy. Said Lyon: "This looks like one of the most massive miscalculations in Canadian political history." Lyon added that he had explored the government's last year to hold a separate referendum on free trade before calling a general election. "We would have had a better chance as a referendum because



Broadcast: Taking the campaign past trade to other issues

people they thought free trade was popular and wanted to it to get back into power."

But the events of the past few weeks showed clearly that the Tories had overestimated the strength and durability of public support for free trade. According to former Liberal cabinet minister Michel Sharp, the government was likely beaten by the fact that the country's business community—which has traditionally

been the most ardent proponents of free trade, refused to endorse the deal. In the days before the Nov. 21 federal election, Mulroney sought details of how his government would manage Ontario industries that could suffer under free trade.

Because, until now, the open debate on free trade controls while Mulroney was campaigning to save the deal, allowed its critics to present solid arguments. Bill Bourassa attempted to salvage what he could from the setback, telling reporters that the important message for Canadians was that both of Quebec's provincial parties support the deal. And he also tried to bury the rift in the electoral battle between Quebec politicians who favor free trade and the Ontario Liberal government of Premier David Peterson, which does not. Bourassa argued that "if a sober Ontario has an interest in blocking the accord," because the province has already reaped the economic benefits from existing trade arrangements.

Bourassa's underlying message—but Ontario is unwilling to give up its status as

resisted attempts to raise barriers to cross-border trade—had swayed in favor of free trade as a way of countering U.S. protectionist Seal Sharp, now an Ottawa consultant. "The Tories assumed incorrectly that if business leaders had changed their minds, the rest of the public had also changed. The government was on the wrong political track."

Mulroney's decision in 1985 to proceed with free trade negotiations also seemed farsighted. Polls then showed that more than two-thirds of Canadians expressed generalised support for the concept. But even then, some Tory veterans were concerning: former Conservative politician Alton George told Maclean's in 1985 that "we had all harbored a deeply rooted suspicion toward our southern neighbors. He added, "If exports of free trade are able to portray it as something that will make on the lapels of the Americans, support will quickly disappear."

In fact, the Tories themselves remained ambivalent about the best approach to free trade right up until the election call. One faction, worried Mulroney to avoid emphasizing the importance of the trade deal. But others, including Mulroney's chief of staff, Derek Bonsor, were convinced that the trade agreement would be popular with voters provided and, rather than plug down the deal, the Conservatives never went more than \$23 million into promotional campaigns extolling its benefits for Canadian industry and job creation. "It was like Hitler at Stalingrad," said one party source. "It did not matter that the polls were saying that support was fading for free trade. The attitude was we will just pump more money into it. But to suggest

COLLAPSE OF A GRAND PLAN

If it had worked, Liberal Premier Robert Bourassa's plan to have the Quebec national assembly unanimously endorse the Canadian-U.S. free trade agreement would have served two purposes. One day after a Gag-lok poll released on Nov. 7, placed the Conservatives 14 points behind the federal Liberals in the province of Quebec. But endorsement would have given a welcome boost to Bourassa's Conservative ally, Prime Minister Brian Mulroney. And, with support for free trade wavering in Quebec, Bourassa, fighting against the clock to save the deal he has supported from the outset, could have had a 4-to-3 majority in Quebec's assembly who have doubts about the agreement. But that did not happen. Instead, the opponent, Parti Québécois, al-

though it also supports free trade, refused to endorse the deal. And so, despite the Nov. 21 federal election, Mulroney's gamble of how his government would manage Ontario industries that could suffer under free trade.

LISA VAN DUREN in Montreal

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COVER

otherwise was considered to be unwise."

The Tories also acknowledged that they did not expect Turner to be able to keep the focus of the campaign on trade. "We knew that they would use emotional segments against free trade, but we did not think that Turner could keep a campaign of fear alive for more than 10 days," said Senator Michel Coggié, co-chairman of the Conservative campaign. And some sources believe that they were not prepared for the intensity of Turner's attack. Ted John Luschinger, a Toronto-based communications consultant who directed a \$15.4-million pro-free-trade advertising campaign for the Tories earlier this year, "I suspect there was always that sort of anxiety of fear for Canadian sovereignty." But Luschinger decried his lack of strategy: "We were not trying to define the trade deal against autarky," he said. "To expect us to have been prepared for [Turner's] charges that social programs are not protected in the agreement is like saying we should have been telling people that we were in the agreement."

Ironically, the Liberals' themselves had been unconvinced about the effectiveness of a campaign based almost entirely on opposition to free trade, despite the fact that such grassroots organizations as the Free-Canada Network had already "launched antitrade示威 against the pact." To test whether such a narrowly based strategy could succeed, Liberal Senator Michael Kirby—currently co-chairman of the party's campaign strategy committee—con-

ducted a poll last July by Toronto-based Goldfield Consultants, a firm at which he is a partner. The survey suggested that Canadians were worried more about higher taxes and the quality of the environment than about the impact of free trade. Moreover, the party's principal Quebec adviser—excluding sans An-



Richler: 'We are basically cautious'

tonnau—conducted a poll last July by Toronto-based Goldfield Consultants, a firm at which he is a partner. The survey suggested that Canadians were worried more about higher taxes and the quality of the environment than about the impact of free trade. Moreover, the party's principal Quebec adviser—excluding sans An-

dré Quétel and Raymond Gérin—told Turner that running on an anti-free-trade platform would be tantamount to committing political suicide at that point.

At first, Turner responded. When the Liberals unveiled their 40-point policy platform on Sept. 28, free trade was ranked third in importance as an issue, after the environment and tax reform. In Quebec, the party's campaign advertising scarcely mentioned free trade, despite several allegations of Tory corruption. Said one senior Liberal adviser, "Richer and Quétel had no confidence in Turner's ability to lead a fight against free trade. They even tried to keep him out of the television ads because they were concerned that Turner was a 'no-show'."

Those tensions were evident in the early days of the campaign. In Montreal on Oct. 5, Turner suffered through an embarrassing news conference during which he was unable to provide details about his party's child-care policies. Finally, with polls suggesting that the Liberals had sunk to third place and reports of party vigilantes demonstrating the mighty economic benefits of free trade, "Turner told party officials that he had decided to alter course by ignoring most of the Liberal platform and concentrating on free trade," "I'm going to go down," a senior aide quipped. Turner is taking two weeks into the campaign, "I'm going to do my best."

By then, the Liberals know that their hopes of a recovery-dependent almost entirely on Turner's performance in the televised debates. The

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COVER

WILSON SAYS TORY MEGAPROJECTS WERE NOT ELECTION EXPENDITURES

long-awaited breakthrough came in the third and final hour of the English-language session, when Turner said he would reduce Canada "to a colony of the United States."

Mr. and Mrs. Turner's anti-assembly argument acknowledged in their speech that the exchange agreement had not secured Canada's right to a large and sustainable measure of political autonomy. The three months that sponsored the negotiations had not suffice to allow most of the final hours to question such important rights. Allowed leadership, for one, was too far-reaching out in the final encounter between Mulroney and Turner. Leslie Strode, Mulroney's chief of staff, then general manager of Ottawa programming for Global '89, concluded with his counterparts at the CBC and CTV, then relayed a message to the panel of journalists to stave the debate back to free trade. Said a Liberal official of the TV executive's intervention: "If it hadn't been for

that decision, we would have been finished."

Eve Broadbent acknowledged that the dramatic exchange altered the course of the campaign. Since then, said the NDP leader, Turner has emerged as the undisputed champion of the anti-free trade forces, successful in isolating the trade pact. "There will be a wind of disengagement if we lose," said Secretary of State James Bowden. Mean while, Canadian leaders have undertaken their campaign for free trade through an aggressive strategy. The Canadian Alliance for Trade and Job Opportunities—whose concern about trade relations with the United States without a trade deal said Peter MacNeil, executive assistant to the chairman of the Board of Trade: "The one certainty is that it will be a long time before a Canadian politician can afford to temper with our relationship with the Americans." Whatever the outcome on Nov. 27, the focus of passions released over free trade has taught the country's leaders a lesson they will not soon forget.

eventually impressed of becoming a colony of the United States. And by going for broke on free trade, Turner has played to those fears with great success. That fear of American domination may some observers, is a prominent component of the Canadian psyche. Said Montreal author Melecin Robier: "We are basically a cautious people who resist change."

Clearly, the lessons of the campaign will not disappear quickly. Some Quebec Tories issued dire warnings about the future of Canadian federalism if the anti-free trade forces succeed in isolating the trade pact. "There will be a wind of disengagement if we lose," said Secretary of State James Bowden. Mean while, Canadian leaders have undertaken their campaign for free trade through an aggressive strategy. The Canadian Alliance for Trade and Job Opportunities—whose concern about trade relations with the United States without a trade deal said Peter MacNeil, executive assistant to the chairman of the Board of Trade: "The one certainty is that it will be a long time before a Canadian politician can afford to temper with our relationship with the Americans." Whatever the outcome on Nov. 27, the focus of passions released over free trade has taught the country's leaders a lesson they will not soon forget.

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in Ottawa with **PAULINE MARCUS**
TM&EM/SHRM/THOMAS and MARK CLARK on the
leaves from and **LISA ANN DODD** in Mississauga



Sherry Turner 'resigned'



Good. To the last drop.





Douglas Hospital eliminating a penalty against patients able to vote

DEMOLISHING OLD BARRIERS

THE MENTALLY ILL GET THE VOTE



For thousands of Canadians, the ruling proved one of the basic rights of citizenship. Last month, Federal Court Justice Berlens Reed struck down an unconstitutional section of the Mental Health Act that denied the vote to "any person who is restrained of his liberty of movement . . . by reason of mental illness." Reed's decision has won the support of advocacy groups for the mentally ill and handicapped—and indeed of many people correctly fearing psychiatric treatment. For her part, Jane White of Whistler, who runs a living by visiting texts for a blind law student, has advised mental health treatment since 1968—occasionally as a patient and usually as an outpatient. While 40, has never been a resident of a treatment facility during a federal election. But, she said, "It concerned me that a right many people take for granted could be taken away from me just by virtue of where my bed was or a particular issue."

The Federal Court ruling affects more than 30,000 people undergoing treatment for mental illness and 20,000 usually handicapped people living institutionalized across Canada. The severity of individual illnesses and handicaps

prevents many of them from taking advantage of their new right. And continuing self-sacrifice rewards the enumeration process for residents, which some advocacy groups claim differs from how other Canadians are enumerated. Still, granite for the decision has been widespread. John Burak, chief executive officer of Vancouver's Riverview psychiatric hospital, said that the ruling "furthers patients' fundamental rights." Because an individual is suffering from a mental illness, he added, "does not mean that their judgment is impaired."

At the same time, many politicians also said that the ruling was long overdue. Gilbert Chartier, the Conservative member accountable for the Montreal-area riding of Verdun St. Paul, pressed the decision because he said that it eliminates a penalty against patients capable of voting. Sud Charnier, whose riding includes the 950-patient Douglas psychiatric hospital, "There are some who are really too confused and don't understand the



Charnier: a new deal

voting process, but they are the majority."

In reaction to the ruling, Elections Canada, the parliamentary agency that administers federal elections, has unanswered questions: are their Canadian citizens, are they 18 or older, were they a resident 10 days before enumeration begins, and do they still expect to be a resident on Nov. 21—the date of the election. Only residents who were capable of answering those questions, and answered them positively, had their names added to the voter's list. But Osvaldo Radicoff, legal counsel for the Toronto-based Canadian Association for Community Living, an advocacy group for the mentally handicapped, noted that many Canadians do not have the answer to an enumerator's questions personally—whichever answers the door often speaks for the whole household.

Meanwhile, some hospital officials were concerned about ensuring that residents, most of whom will vote in polling stations set up at the individual institutions, have adequate and balanced exposure to candidates and information. At the Woodlands Institution, a treatment centre for the mentally handicapped in British Columbia's New Westminster constituency, officials set up classes to explain the voting process to residents and held an all-candidates meeting.

The number of residents enumerated has varied from institution to institution. Because of the severity of their disabilities, many patients could not be enumerated. At Vancouver's Riverview, where returning officer Dennis Bowes set up 100-metre runs by enumerators, 479 of the 800 patients have been enumerated. For all three of the 1988 residents of the Huron Regional Centre in Orillia, Ont., a home for the mentally ill and severely handicapped, have been registered to vote, only about 30 residents are expected to cast a ballot.

Some spokesmen for advocacy groups and many members of the public have argued that the Federal Court ruling is not particularly useful because many patients are not capable of understanding the electoral process. That attitude, spokespersons say, misses the point of the ruling. Bill David Webster, executive director of the Wherewith office of the Association for Community Living, "The big implication is that now the constituency has an opportunity and an obligation to get to know these people." From the point of view of Webster and other advocates, the ruling has not just allowed the mentally ill and handicapped to vote. It has also reinforced their status and assured their rights as citizens.

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MELISSA GEORGE BONG in Mississauga,
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The French facts

In Quebec, Tories bank on the PM's appeal

The empty reservation speech in the quiet town on the North Shore of the St. Lawrence River had a welcoming atmosphere that was missing in many of the others that he had visited. Five Tory campaign workers frantically set up the podium from which Prime Minister Brian Mulroney would address party members. It would be the 12th speech in six days for Mulroney, whose campaign strategy called for a touring rally of each day's proceedings. While he finally appeared the Prime Minister did not need a planned tour to make an impact on a familiar crowd at the Charlevoix riding, which includes his home town of three Consists. And the never seen did not disappoint the 300 Quebecois who packed the centre's games room. Said Mulroney: "I am in Bas-Saint-Laurent today to tell you I kept my word," referring to his promises of economic prosperity and national unity. The Prime Minister's acceptance by the home crowd—and his popularity among small-town Quebecers—overshadowed a sense of the Conservative's most significant assets: the majority governments have ever been formed without substantial strength in Quebec. Although Mulroney's popularity may give the Tories an edge in Quebec, the province presents challenges of culture and language for all three parties—but they do not find anywhere else in Canada. Over the years, national parties with leaders from Quebec have tended to have the same difficulties in the province. The Conservatives went into the 1984 campaign assuming that it would be their first electoral Canadian victory, but picked a Quebecois Conservative chief against a Liberal leader, John Turner—from outside of the province. And in the parties against fight for the allegiance of Quebec, that strategy remains largely the same for the Conservatives. The Liberals and the New Democrats are countering by highlighting the strength of their Quebec bases and minimizing the

importance of their anglophone leaders.

Many observers attributed the overwhelming Tory victory nationally in 1984 to a mixture of Mulroney's personal appeal, political shrewdness, some economic tuning—and the improving weakness of the Liberals as their traditional stronghold of Quebec. These, the Tories claimed, their advertising on Mulroney, while in other provinces the emphasis was on the Tax cuts. That tactic grew more from necessity than from any desire to focus a Tory leadership cult. At the time, Mulroney was almost the only Conservative in Quebec who was familiar to most members of the electorate. Said Louis Bouchard, vice-president of the Guelph Canada Int. Council: "He has never voted against a native son."

In the 1984 landslide, the Tories won 50 of Quebec's 150 seats. But it is still unclear whether Mulroney can play government. Conservative voters in Quebec is a province that had not strongly supported the party since 1958, when John Diefenbaker's Tories won 50 seats there. But Mulroney's decision to make a political ally of Quebec Liberal Premier Robert Bourassa is largely a reflection of his desire to try to do just that. And two of the Mulroney government's major under-



Mulroney: home-twon hero

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Turner at Montreal day care centre; the Liberals are courting on traditions

ings new efforts to be strengthening the "English" hold on the province. By signing the Meech Lake constitutional accord—whose signers Quebec is a "distinct society"—the Prime Minister accommodated the aspirations of many nationalists in Quebec within the Canadian federal system. And most recently, by

negotiating a free trade agreement with the United States, Mulroney appeared to win support from some members of Quebec's growing—and increasingly influential—francophone business class.

But despite their attempts to appeal to a broader spectrum of Quebec society, Conserva-

tive strategists continue to emphasize the native-son theme in their platform. The Tory slogan used in English Canada, "Managing change," is intended to emphasize a sense of strong, "tough" candidates who will continue to promote the economic growth and prosperity of the past four years. In Quebec, that slogan is altered slightly: "Gouverner dans le bon sens," which loosely means "Keep following your good instincts."

Senator Michel Cayer, co-chairman of the Conservative campaign, says that the French-language slogan appeals more to individual emotions. Adds Marcel Côté, Conservative campaign communications director in Quebec: "There were debates within the party between the English and the French team over approaches. We did our own [slogan testing] in Quebec to help come up with the line, but we tested an 'our situation is well' [slogan] as well." Declared Côté:

"In Quebec, we are conservative-driven, partly

because it is a smaller society where values count."

But Mulroney is looking on more than nationalism. In his free trade deal with the United States, he tried to be a symbolic giant, emphasizing more economic independence for Quebec. And the Meech Lake accord not only brought Quebec into the constitutional fold, it affirmed the province's political association with the rest of Canada. For English-speaking Canadians, the campaign against free trade plays to Canadian nationalism in the same way that Quebec's "Yes" has a separate state campaign of 1980.



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plied to Quebec nationalism. Malouney is trying the same emotional chords of pride and accomplishment in Quebec that then-Quebec Premier René Lévesque played so often in his pre-independence speeches. Malouney's speeches in defense of the free trade agreement are built on some of the same themes in the "Yes" campaign, where Lévesque and the Parti Québécois sought a mandate for political independence from the rest of Canada while maintaining economic ties. The referendum was defeated eight years ago by 60 per cent of Quebecers.

Addressing enthusiastic supporters in a

Montreal church basement during the third week of the campaign, Malouney appealed to Quebecers' pride, while warning his anglophone allies of resulting and a threatening Quebecois threat. "Quebecois are fed up with the old tactics of those who are contemptuous of our intelligence and credit our dignity," he said. "They say to us that problems of disease, those professional pessimists, and yes to the builders of a new Quebec prosperity."

By digging himself with the powerful forces of business and nationalism, Malouney has built bridges to several Quebec political groups, leaving the federal Liberals little room to maneuver.

The Liberals are also hampered by Turner's one lack of an extensive personal network of Quebec supporters and by the fact that the Liberal leader cannot match Malouney's personal popularity in Quebec. Said Galtier's Bousfield, "Malouney makes the point that he's from Quebec, and how could they vote against him?"

To that end, the Liberals have developed a strategy based almost entirely on undercutting Malouney's favorite son advantage. According to a high-ranking Quebec Liberal strategist, the party's advertising has been deliberately more negative in Quebec because members of representative groups reacted favorably during voting. "Whenever you recruited people of the government's record of socialist, the Prime Minister's credibility rating went through the floor," said the strategist, who requested anonymity. And by relying heavily on the party's historic roots in Quebec, the Liberals are trying to link voters with a lengthy list of high-profile Quebecois to show that the party has a wealth of native sons and legitimate credentials of its own. He added: "We are focusing issues on big-name candidates, such as Paul Martin Jr. [son of former cabinet affairs minister Paul Martin] and Raymond Gauthier [Liberal finance chief], rather than running on the leader."

The war, which is fighting hard to gain support in Quebec, has concentrated on the popularity of leader Edward Broadbent. Capitalizing on his personal high standing in the opinion polls, the war leader has focused on social programs and community services in the province. Deliberately avoiding the free trade deal, which is popular in Quebec, the war has targeted the environment,老人和child care in its advertisements. Said Terry O'Grahy, war communications director: "Our polling in the province shows that Quebecers have different attitudes toward defence policies, where we are looking at more sympathetically." He added, "As well, Quebec is more receptive to the notion that government should intervene in matters of social concern."

Still, Broadbent was faced with the formidable task of showing Quebecers that he can build a strong base around his leadership in the province. Unlike the English advertisements, which focus almost entirely on Broadbent, the party was attempting to show, through its commercials, growing support for the NDP in Quebec. Said O'Grahy: "It is important for us to make the point that there is a group of candidates in that province that supports Ed." But with Quebec's tradition of voting for winners and winning seats, the NDP's statewide electoral prospects in that province appeared remote. For the other two parties, the campaign had become a sort of strength between the interests of history on the one hand and a present-day personal popularity on the other. And in the meeting halls along the St. Lawrence North Shore, at least, Brian Mulroney seemed to have the edge.

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'THE DEAL IS A MUST FOR CANADA'

MULRONEY DEFENDS FREE TRADE

What would the federal Government do about free trade if they fell to win a majority in next Monday's federal election? What do they think in hindsight of their free trade selling job?

In a one-hour exclusive interview with Maclean's last Friday in his Langdon Park office across the street from Parliament Hill, Prime Minister Brian Mulroney discussed these and other questions about the 1988 campaign.

Maclean's: If you form the new government will you pursue the trade accord regardless of the number of seats?

Mulroney: Yes.
Maclean's: Even with a majority?

Mulroney: The trade deal is vital for Canada's future. It's a necessary instrument of job creation and new wealth and it's clearly something that is on the right side of history. Those who oppose it today are going to be held in the same low esteem in three or 25 years as those who opposed the [Canada-U.S.] Free Port for precisely the same reasons. This is an important set of nation-building. When it's slowly emerging after a persistent campaign of falsehood and fear is the truth: that the trade will create and the truth is a choice between the free trade agreement and the status quo. That's the choice that Mr. Turner offers the country. Given the choices, as the days go by in this campaign, you see that Canadians are going to choose the positive and reject the destructive.

Maclean's: If you have a minority government would you consider holding a referendum on free trade?

Mulroney: I am looking forward to a strong endorsement of what we have done.

Maclean's: But it is a mistake or retrospective not to provide a better explanation of the free trade agreement?

Mulroney: No. These things take time of their own. The substance of the Johnson Act is like a hangover in the morning; it tends to last the most. The substance of this will give profiles to both sides of the proposition. What was difficult for us tohausen was the fact that the leader of the New Majority's Liberal Opposition would take a campaign of systematic and fundamental outreach. There is not a single thing about the free trade agreement that Mr.

Turner has said that is true. I never thought in 1988 that I would see the leader of a national party enter a senior citizen's home and willingly try to save her from the elderly and the sick of Canada, propagating absolute and draconian free trade. The truth is catching up.

Maclean's: You say that you have been telling absolute and wilful falsehoods, and the tide is turning.

Maclean's: Are you picking up any signs of a shift in America in this campaign?

Mulroney: There is a well of anti-Americanism in Canada. There always has been. It is like anything else, you get up in the morning, and if things are going poorly, you blame it on your Canada, those who like to limit barriers, who have a sense being right over, who are still looking after. It's the I'm-All-right-Jack school of Canadians who believe in a little Canada, because within a little Canada, they are pretty big fish. By God, they are going to keep it that way, no matter what it costs everybody else.

Maclean's: Are you having any plans to tackle Canadian free trade deals after the election?

Mulroney: A lot goes around the world before the truth has a chance to get its place on the record. You are asking me how we are going to deal with this, because this is what it is. This is horrendous, wilful mismanagement. Anything you build is difficult, challenging and comple-

mentary. A fair number of Canadians over the years have blamed it on the Americans. Lester Pearson wrote in his memoirs that there are people in Canada who believe that Canadians are not able enough to do effective bargains with the Americans so they exploit their innocence by bypassing their intermediaries and the like. By selling Sobeys and Slat 'n' Slat? Mr. Pearson wrote that that is the sign of weakness that costs in Canada. It appears to the present leader of the Liberal party today.

Maclean's: Why do you think so many people disagree with the agreement?

Mulroney: I can see the protestants of



nd, and sometimes difficult to explain. To destroy it is terribly simple. Falsehoods have an immediate attraction about them. They appeal to the basic element in society, namely fear.

Canadians are not worried about social programs. The tide has turned. Canadians now understand that they were sold a watered-down, a half-baked part of the campaign. Canadians don't want national leaders to go into areas of autonomy. I tell them things like that. I would then be very concerned about the morality of the person who sold me that it turned out to be false. And what you have now is something as an enormous expression of credibility. If Mr. Turner will say these words and old-age pensions, he'll stop at nothing as regards to other things. It is obvious that people are catching on.

MacLennan: *We have had that the deal does not go through, the economic situation is going to worsen. Why?*

MacLennan: The program of the Liberals contains all the ingredients for another recession. It is not only the deal not going through. It is a maximum of \$37.7 billion of new spending. It is the loss of productivity, the loss of investment, the loss of confidence in Canada, the impact on federal-provincial relations, because eight provinces out of 10 would have been impacted. I don't know how all these factors could fail to have anything other than a very damaging effect upon the mind of the nation and the manner in which Canada is perceived around the world.

MacLennan: *Are you not contributing to the alienation of the working class?*

MacLennan: I don't have to say anything. The workers know exactly what Mr. Turner is up to. You would have to be a child not to understand what would happen. The only way that you create new wealth is to do exactly what we have been doing. Mr. Turner has got himself stuck back into the 1970s; everything that failed in the 1970s he is now going to do again. The legislative agenda for the 1980s, and all of this is a complete re-orientation as far as the incoming Liberal. This is new for Mr. Turner. There is a profound philosophical difference between us.

MacLennan: *Could you have ever given a year ago to head off uncertainty about free trade?*

MacLennan: I think we have done a good job. We anticipated a vigorous opposition. You make allowances for the system of some elements of one society, the peripheral elements who lose employmen, who just cannot get through the day without a good demagogic. What very few people could have anticipated was the wilful campaign of antisocial set out by the Liberals as regards to the concerns of Canadians about social programs, old-age pensions, medicare. I did not expect that anyone would do anything that unscrupulous. I don't have any doubts as to what is going to happen in Nov. 23. I think we have got a fight on our hands. Any major initiatives that you bring in to change existing patterns of living, of trade, of social patterns, my time there in a great historical initiative, the aquatics of reaction are

front and centre predicting doom, and they retreat to the letter rod. You have got to fight them off. I know that the spirit of history is going to be terrible. I know that I am doing the right thing for Canada. The only thing would have been to do nothing. The tough thing would have been to do nothing and know that you would get the kind of deal that was going to benefit Canada over the next century. We have to do what we are going to do.

MacLennan: *With agreement that it is the duty of the working world, the spirit of resistance and reaction are always there. It is the role of the prime minister to provide leadership.*

MacLennan: *How do you feel the situation after the campaign?*

MacLennan: *You go across the country and see who is on the other side, what they are saying, you don't have to worry about deep divisions.* [Turner's principal secretary, Peter Connolly, is reported to have told a group of businessmen in Ottawa like Jersey: Don't

'Few people anticipated the wilful campaign of untruths set out by the Liberals about social programs, old-age pensions and medicare'

believe it, we're ready to dole out of this thing. We are trying to get a few cosmetic changes in it and then declare a victory and sign the deal.' The wood on the street is widespread. For the Liberals to campaign against the free trade agreement and then sign the agreement would be an act of utter hypocrisy. The Liberals have no policy, no programs, the worse state of candidates that the party has fielded in 100 years. They have a leader that, four weeks ago, the caucus was trying to oust. They have a record of running their own party \$6 million in debt. Don't think for a second that they are incapable of doing a hand-to-hand assault, even more incisive than this in the past. But their gummy skills are as impressive as the clarity of their principles.

MacLennan: *What do you say to reassure those who are anti-American?*

MacLennan: I don't think that I should be seeking to reassure every individual because I know that there are some people who are

completely impervious to reasonable persuasion. When you have to do is make the case for the country. It is extremely difficult to persuade large groups of people in advance of an accomplishment. When it is done, everybody is

MacLennan: *Free trade has become part of your personal vision of Canada. How do you react to the outcome on Nov. 23?*

MacLennan: I think it is pretty goofy stuff.

MacLennan: [Turner] was in the private sector he was going around saying, 'This is the greatest thing since harnessed lever.' I don't think he believes a single thing that he says. The only place that John Turner is interested in protecting in Canada is home. All of a sudden, out of a clear blue sky, he repudiates everything that he stood for. I just watch it and I do my thing.

MacLennan: *The campaign has been as ugly as ever. Has it dulled your taste for politics?*

MacLennan: Not at all. I am not concerned about a bunch of jousts who show up at political meetings. That is the price you pay for a democracy. Nothing that the Liberals do ever surprises me. This is a party entirely bereft of principle and conviction. I have never underestimated it. Its techniques have been successful for it in the past. The Liberals tried it again; they went into a series of retreats. They are going to pay the price of their lies for what they have done. This one, Canadians are going to view as ungrateful. This was an act completely unworthy of anyone who works high office in Canada.

MacLennan: *What is president-elect George Bush's approach to the agreement?*

MacLennan: George Bush came up to see me twice, over at 24 Sussex Drive, the Prime Minister's residence. This is what we talked about. The second time, he brought [secretary of state nominee] Jim Baker with him—he leaves the agreement intact. He leaves the negotiations with the United States, and gets him promoted before the Toronto summit, at his home in Washington as his assistant, where we went through all of it again. Jim Baker repudiated it personally. That's how deeply Baker and Bush care about this agreement. I spoke to Bush the other night [Nov. 8, after Bush won the presidential election], and he said, 'Jesus, Janscy Baker is a strong right here, right next to me. You're going to be pleased about what I am going to say tomorrow about her.' What he said tomorrow is that the new secretary of state for the United States of America is the guy who negotiated the free trade agreement between Canada and the United States. So Bush knows of what it is a very strong defender of free trade. And Jim Baker is going to be the secretary of state. Because of that, if a Canadian government were to back up the accord, it would create one of the most ungrateful and preposterous situations for a Canadian prime minister ever to find himself in—to distract a sovereign country and then to turn around and say, 'By the way, I have thrown this one in the wastepaper basket. I want you to sit down and negotiate another one with me.' You know the answer to that one. Everybody knows the answer to that one. □

Straight Talk On Free Trade.



The Canada-U.S.

What it is. The Free-Trade Agreement is a commercial arrangement that begins and ends with trade. It is about tariffs and other barriers at the border. It is about increasing trade and job opportunities. Most important of all, it is about fair rules in the trade game with our largest trading partners.

It does not affect our sovereignty. It does not harm our social programs. It does not interfere with our health care programs. It does not undermine our culture. It does not threaten our environment, our fresh water, our energy resources or our farmers. Any claims to the contrary are false. They are not based on the facts of the agreement. They are based on fear.

Most of all, it is not a retreat. It is an opportunity. Canada is not and will not become a colony of the United States. Canada is and will remain a free, vibrant and independent nation.

So who needs it, anyway? We do. Canada is a nation that was built on trade. More than 3 million jobs depend on trade. Two out of every three of those jobs rely on trade with the United States. We need more open and secure access to a large market. We are the only industrialized country that does not have such access. The United States market is the richest and most dynamic market in the world. And it is Canada's most important market. Without the FTA, our markets will be free nor secure and our future will be uncertain.

But three-quarters of our trade is already free of tariffs. Yes and No. While many of our products enter duty-free, many more are not sold at all because of high tariffs. Thousands of products continue to attract tariffs. And it is hard to compete when you have to pay high tariffs — such as the 10% tariff on petrochemicals, or the 3% tariff on woven fabrics. It is mostly raw materials that are free while finished goods continue to draw tariffs. Getting rid of these tariffs means more opportunities to sell manufactured goods and more such opportunities mean more and better jobs.

Did we get rid of tariffs? Yes we did, but slowly. They will be phased out over ten years allowing producers the time to adjust and take advantage of new opportunities.

Is there more? Certainly. Elements to trade are more than a matter of tariffs. They also involve discriminatory product standards, quotas, local content requirements and much, much more.

Did we eliminate these? Most of them. For others, we will continue to negotiate. Where we could not get rid of barriers, we put in place sensible rules that place Canadian and American producers on an equal footing.

Who will enforce these rules? We will. Canadians will enforce them in Canada and Americans will enforce them in the United States.

What if there is disagreement? The agreement puts in place procedures that will allow Canadians and Americans to work out any differences quickly and amicably or allow a neutral panel to make a final ruling.

But the United States is ten times more powerful than Canada. Won't they always get their way? That's why we need mutually agreed and mutually enforced rules. That's why we need a neutral referee to act as a shield against arbitrary and capricious actions. The rules will affect us and they will affect the Americans. Equality.

But doesn't the agreement deal with more than just trade in goods? Yes it does. It also puts in place sensible rules to cover trade in services, investment and business travel. Canadian investors in the United States will be dealt with fairly and equitably. Canadian engineers and architects will now be able to sell their services in the United States.

But isn't the other trade agreement that ever done this? That is right. Canada and the United States have made a headstart on what the rest of the world is trying to do at the Uruguay Round of GATT talks. But they have done so cautiously. They have agreed not to discriminate in the future. All existing laws and regulations remain in place.

But didn't we also give up the right to control Canadian investment? No. We agreed that after a period of transition, we will not screen direct foreign investment takeovers under \$150 million. That means that three-quarters of Canada's corporate assets remain subject to screening. And all our other laws remain in place.

Does the FTA not prevent us from insuring Canadian control of the economy? Not at all. Canada remains free to establish its own standards of conduct. There is nothing in the FTA to prevent the Government from regulating. For example, all companies incorporated in Canada have a minimum number of Canadian directors on their board, maintain their head office in Canada or that their chief operating office be a Canadian citizen. In three sensitive sectors — energy, air and rail transportation, and culture — it can continue to require Canadian majority control. Existing energy and transportation policies are protected and culture is exempted.

Will the FTA lead to the buy-out of Canada by Americans? No, exactly the opposite. One of the indirect benefits of the agreement is that it gives Canadians the confidence they need to invest in their own economy. A quarter of Canadians now own stock in Canadian companies and Canadians have a greater stake in their economy than they have ever had before. Such confidence comes with a strong economy, not with government regulation.

Free Trade Agreement

But isn't it realistic? Doesn't the agreement amount to a sell-out of Canada? Won't it impair decisions be made in Washington from now on? Only the timid and the fearful have this view of Canada and of their governments. There will continue to be a democratically elected Parliament in Canada and democratically elected legislatures in the ten provinces and in the territories. They remain free to enact any policy they desire, even policies at odds with this FTA.

But won't the Americans retaliate? That risk is not new. A country that depends on trade for 30 percent of its wealth always has to be conscious of its trading interests. The FTA, however, greatly enhances our ability to protect Canadian interests. Rather than going to Washington hot in hand and pleading a special relationship, we can rely on a set of jointly agreed rules, joint management of these rules and a sharp dispute settlement mechanism to resolve any differences. That is sovereignty. That is in Canada's interest.

Yes, but all the obligations are on us. No. The agreement is mutual. The agreement applies equally to Canada and to the United States.

But won't the agreement gradually force us to align our policies along the lines of the longer and stronger partner? No. Will Canadian business lobby to reduce spending on social and other programs? Not at all. Why should this particular agreement have such an effect? We have more than 200 agreements and arrangements with the United States. None have had that effect. This is not the beginning of a process but an important step in an economic relationship older than Confederation. We have always traded with the Americans; we have always welcomed their responsible investors. We have always travelled back and forth — and we will continue to do this. This close and mutually beneficial relationship has not prevented Canada from opting for a different approach to social welfare, to broadcasting, to transportation, to support for farmers and the FTA will not either. On the contrary, it will help to generate the wealth that will allow us to continue to develop a rich, rewarding and diversified society. We are used to living next-door to a superpower and making the best of it — that's why the rest of the world envies what we have been able to achieve in the FTA, placing us at the cutting edge of the management of international trade relations.

Why can't we just keep things the way they are? Unfortunately it is not just up to us. There are a lot of Americans who are unhappy with unfair competition from the Japanese, from the British, and from others. They are lashing out at foreign trade. Canadians are getting hurt in the process. Some congressmen want to take protectionist actions against Canada.

Give me one concrete example. The auto pact, which has been the primary engine of growth in Ontario, is preserved under the free trade agreement. This despite the fact that it has become a major target of legislators and the United Auto Workers in the U.S. The efficiency of our workers and plants is attracting more and more investment by the auto makers here. Look above what the pact says they have to. According to a recent *Globe & Mail* editorial, Ontario will soon be assembling 50% of all cars built and sold in North America. Naturally there are those in the U.S. who would like to renegotiate the auto pact and bring home a lot of those jobs.

Are the auto parts more secure with the free trade agreement? Yes. The agreement solves some outstanding irritants in the automotive sector. And the future of the auto pact is tied to the FTA. Would renegotiation of the auto pact stand up to this pressure by itself without the agreement? Not chance. As the *Globe & Mail* states, supporters of the auto pact should also support the free trade agreement.

There's a whole world of other trading partners out there. Yes. But they are also banding together to form big trading blocks. The Europeans have been at it for some time. They've been knocking down the tariffs and other barriers between themselves, making it harder for outsiders to sell them. The Pacific Rim countries are becoming increasingly competitive. The newest in trading and investing in a single, rather small country with a variety of trade barriers is ever-diminishing. But a market of over 260 million (that's us with the U.S.) is one very attractive investment and trading partner for anyone in the world.

Clear trading rules and access to our largest trading partner will encourage employers to invest in Canada with confidence and create new jobs. As a full partner in one of the newest, largest markets in the world, Canada's role is ensured as a major participant in the next century of global trade.

So the status quo isn't an option. There must be another alternative out there. Well there's the much touted "sectoral approach" which tackles each industry area on a one by one basis. It sounds good in principle. An agreement here for forestry, one there for fisheries and another for steel and so on. The problem arises when you attempt to put it into practice. It didn't work when we tried it in the last time (1983-84). And we are now facing an even more protectionist America.

If we were to tell the United States we were to scrap this agreement after months of negotiations and approvals from both their Senate and House of Representatives in order to start talking about a long series of smaller agreements on a sectoral basis, our chance of coming out with a whole batch of separate signatures is just about zero.

What about international trade agreements? Canada is there. We are negotiating through GATT (General Agreement on Tariffs and Trade). We are pursuing the same agenda there with the rest of the world. We have not given up a single GATT right. Rather we have added to them and made them more secure with our most important trading partner. We may eventually get there with the rest of the world. Meanwhile we'll benefit from what has already been achieved with the Americans.

Importantly the free trade agreement complements and is totally consistent with GATT and has been held up as a model for the world.

Will we become a nation of warehouses with all the rest manufacturing down across the border? No. We've proven that our workforce can be more cost effective than that of our friends in the U.S. In fact we're already competing successfully with no tariffs in many industries. History has confirmed that as we lower our tariffs the factories do not close. Tariffs are not the only reason people do good business here.

But don't our social benefits add up to higher labour costs than in the U.S.? It is a myth to say that the costs of our total compensation packages are uncompetitive with the U.S. because of our social benefits. The costs of the equivalent private medical and related plans are now in place for most of the major U.S. employers are often higher than ours. With access to the United States markets we become an even more attractive location for manufacturers from throughout the world.

Friendly I'm nervous about the change. That's understandable. May it make you feel better if you know that this change has been coming along for quite some time and Canadians have succeeded at every turn? We've been slowly liberalizing our trade barriers for over 40 years and we've never had a stronger economy. Our workers have proven to be efficient and productive. We have the skill it takes to excel in an incredible range of fields. Better access to the U.S. market means more opportunity to sell throughout the world and that means more jobs. The world looks the way we do business and likes to do business here.

OK. So what's in it for me? More jobs. Better jobs. More wealth to improve government services such as daycare. And improved personal benefits. You'll find that the average food bill for a family of four will go down about \$100 a year – about one week's grocery bill. That's just for starters. There will also be a much larger selection of goods at lower prices on our shelves (just like across the border) for example the 20% - 25% tariff we place on U.S. shoes, baby clothes, dresses, sheets and pillows will be gradually eliminated.

In addition, Canadians looking to buy and furnish a new house can expect a saving of up to \$8,000 as a result of tariff removal. And almost 3/4 of the new jobs created under free trade will be in the service sector of our economy where most young men and women are now employed.

While the border will not be erased, eliminating these tariff barriers will increase competition. In a nutshell, the agreement will bring benefits right across this country by opening new doors to our products and

services, reducing costs for consumers, attracting new capital investment, stimulating technological innovation, creating jobs and helping to end regional disparity.

I've heard we're selling out our sovereignty, along with our environment, health care, water supply, energy and culture in order to get the deal. Have you ever noticed that the people who tell you we're about to lose all the never point out specific clauses in the agreement to support their claims? The reason is simple. They're wrong. There are no such clauses.

The environment is a good example. In Canada the primary responsibility for environmental protection is with the provincial governments. But the agreement does not touch their jurisdiction at all (Chapter Six, Article 601). In addition, under the agreement the federal government maintains its full sovereign powers to take any measures, whose purpose is to protect health, safety, essential security, the environment or consumer interests (Chapter Six, Articles 603 and 608). So there's nothing at risk.

Canada will continue to set and adopt environmental protection standards in keeping with our own national goals. It's absolutely false that Canada will have to adopt American environmental standards.

Don't we have to sell them our energy resources and at the same price as we pay here in Canada? Not so. The U.S. has gained rights to Canada's resources. Every province retains its own laws and can sell or not as it wishes. The market will continue to set the price, even above what we pay ourselves. Once we have started to sell we have agreed not to cut the U.S. off cold in case of a shortage. They will be allowed to buy the same percentage they purchased over the previous three years if they are willing to pay the going market price. In return the U.S. has agreed for the first time not to restrict our exports. That's good news for the hundreds of thousands of Canadian jobs in hydro and petroleum development that depend on these exports.

How about our fresh water? Water exports are not part of the agreement. This matches up with Canada's Federal Water Policy in an unmistakable sense. The agreement does not in any way affect our ability to protect and control our lakes and rivers. The people who say that water will put on the free trade table mislead. bottled water for bulk water exports and they are wrong. Top officials on both sides of the border have made this crystal clear.

What about our social programs like Pensions and Medicare? The free Trade Agreement is about trade. Period. Not social programs, not culture, not the environment. These are not traded commodities.

Services such as health and welfare, day care, education and public administration are not in the agreement and are not threatened in any way by it. In fact, nothing in the agreement prevents Canada from maintaining or expanding programs in any of these vital areas.

Some critics may charge that under the Free Trade Agreement, Americans could target our social programs as an "import subsidy". According to international trade law and practice under the GATT (General

Agreement on Tariffs and Trade) programs which are universally available cannot be considered an unfair subsidy. Programs such as Medicare, Unemployment Insurance, the Canada Pension Plan and Family Allowance are available to all Canadians. They cannot be deemed as subsidies, and therefore they simply are not at risk.

Sorry the American Entertainment Industry Giant will stamp out Canadian culture. Since part of what defines Canada's cultural fabric is that which is demonstrably "not American" it will not only survive, but continue to thrive. Culture is exempt from the agreement. Royal Commissioner Donald Macdonald put it eloquently: "Bard interdependence, political autonomy and cultural distinctiveness are not incompatible. The Canadian nation is not a weak and fragile plant doomed to disappearance merely because we trade more freely with our American neighbour. Despite steadily increasing our trade with the U.S. over more than forty years, Canadians have not become less but in fact more Canadian."

Eliminating our tariffs on records and tapes is quite different from the permitting and producing from which the records and tapes are made. American and Canadian artists will continue to record both here and everywhere as they have always done. And Canadian institutions like the CBC will play on further more. CTV, Global, and MacLean's art just as protected as they were before the agreement.

Will our agricultural industry bite the dust? No. While exports to world markets will continue to be important, the U.S. is Canada's largest and fastest growing agricultural market. We export almost \$3 billion of farm products to the U.S. every year. Along the way we've had a long record of skirmishes over the border that have hurt our producers of pork, fish and potatoes. With the better trading rules of the agreement any future disputes can be resolved more quickly and fairly.

The removal of U.S. agriculture tariffs (they average about 10%) will make our products more attractive and boost their sales south of the border. Oh yes, we're not giving up our right to set and maintain our own high agricultural and environmental standards. And we've resolved our dairy and poultry (chicken, turkey and eggs) marketing boards. In fact, we retain the right to implement new import quotas in the future if needed to support other commodities along these lines if necessary.

Alright, but won't Canada have to stop regional subsidies? Absolutely not. The question of regional subsidies is covered by the GATT and not the trade agreement. We can continue subsidies as we wish. So can the Americans. In trade disputes it still remains for the U.S. or other countries to make a specific complaint with regard to the impact of a subsidy, as well as to prove that their case is valid and that we have violated the GATT.

Programs such as the Atlantic Canada Opportunities Agency and the Western Canada Diversification Fund

do and will continue to stand the test. Regional development programs are not touched by the free Trade Agreement.

You haven't said a word about how this will stop American protectionism. Does their trade laws still apply to everything we do? Under the agreement both Canada and the U.S. maintain their current trade laws in accordance with the GATT. However, we know that U.S. protectionism won't go away with a wish and a prayer. That's why we need this agreement.

When you're playing the game with someone 10 times your size it's good to have some rules you both agree on. A referee for when you don't is also a must. That's what we've arranged. The binding dispute settlement process, in which Canada has equal voice to the U.S., prevents politically motivated application of trade laws (exactly what happened in the softwood lumber case).

We also have secured strict limits on American use of import quotas that hurt industries like steel. Finally, we now have the right to challenge proposed new trade laws before the U.S. can spring them on us and then have a binational panel to decide whether they are fair ball or not consistent with this agreement or the GATT.

No agreement is born perfect. However both sides are committed to making it work, as we did with the auto part. If serious differences develop we always have the option of ending the agreement with six months notice.

Never before has the United States of America agreed to limitations on its freedom of action in these areas. No other nation has this degree of security of access to the huge U.S. market, nor is likely to get it.

So, who supports the FTA? Royal Commissioner Donald Macdonald, eight Provincial Premiers, Canadian consumers, the vast majority of Canadian business small and large, an overwhelming number of independent economists and economic research organizations, and Government and business leaders throughout the industrialized world.

Majoric opportunity you say? Yes. It gives Canada the scope of market it needs to ensure growth and prosperity. It provides an opportunity. We can be proud to have now and to pass on to our children and grandchildren. Canadians are optimistic about our future. Canadians know that the future is something that cannot be torn up.

The Canadian-U.S. Free Trade Agreement is all about assuring Canada a market which will allow us to continue to trade and prosper. On-going prosperity enables us to maintain and extend the unique and special programs which are the hallmark of our country. This opportunity will take us into the next century. That century can be Canada's.

For more straight talk about Free Trade just write to The Canadian Alliance for Trade and Job Opportunities, P.O. Box 6077, Montreal, Quebec H3L 5A7.



THE CANADIAN ALLIANCE FOR TRADE AND JOB OPPORTUNITIES

This information has been prepared and presented by The Canadian Alliance for Trade and Job Opportunities, the alliance consists of the most energetic Canadian business, investors, importers, exporters, economists, manufacturers, unusual business groups. It also includes consumers and concerned individuals from all walks of life who are concerned about you have the strength

'A BAD DEAL FOR CANADA'

TURNER SPELLS OUT HIS CONCERN



Decision 1988
MacLennan's recent poll shows that Canadians are almost evenly divided on the merits of free trade. If you win a majority, how will you settle the country?

Turner: The Mulroney trade deal would radically change the direction of our country. It yields the economic levers of service, energy, our investment policy, our capital markets, supply-management of agriculture. The uncomplicated negotiations for a common definition of naturally enlarging our social programs

and our regional equality progression. Yes, the same divides the country, although east and west Canadians are coming to accept my view that this is more than an economic debate, it is a debate in the future of Canada. Once elected, I would do my best to reach out to Canadians and unify the country.

MacLennan: How can you measure the desire for and importance of business innovation?

Turner: I have no business friends that think it's a bad contract for Canada. If any of them had retained me as a lawyer and I had come back with that contract, they would have fired me. There also exist in the business community of Canada that the business of business is money, and that's legitimate. But the business of business is people, and this is more than an economic deal. We would pursue the style of negotiating with the United States that has always been successful for Canada. We would negotiate under international auspices, under the General Agreement on Tariffs and Trade. Using that strategy, 80 per cent of everything that crosses the border now goes free of tariff. And we have accomplished that without

prodding governments yielding the political certainty that we could give away under the trade deal. More than that, I would say to the business community that the primary purpose of the Mulroney deal was to achieve close access into the American market. That means relying on exemption from American protectionist trade law. This was not achieved—and we put aside our ability to appeal to the GATT and challenge American law. So the business community has not gained anything and will not lose anything when the deal is not ratified.

MacLennan: If elected, would you attempt to negotiate a new deal with the United States and would you retain any parts of the existing accord?

Turner: Well, the first is a take-it-or-leave-it deal—that is what the Prime Minister said. But since the sole purpose of this bilateral deal as opposed to international deal was to achieve an exemption from American trade law, and since we did not get it and will not conceivably get it because the Congress will never yield that jurisdiction, then renegotiation of the deal as such is not feasible. What we would do is to resume discussions with the United States to enlarge the jurisdiction of the GATT to services, negotiate an agricultural, reorient the dispute mechanism system, and so on. Of course, we will continue to discuss our trade problems and trade friction with the Americans, which is important. But the basis of the deal—and—secure access into the American market—was not achieved, so that is not negotiable.

MacLennan: In light of president-elect George Bush's victory and the recent appointment as secretary of state of James Baker— who was instrumental in negotiating the free trade agreement—do you think the Americans would respond in any overture for a new trade deal after you have cancelled the current proposal?

Turner: The deal depends on ratification by the Canadian people. President-elect Bush has just undergone a strenuous election and he understands the democratic process. I would say to the new president that his predecessor overestimated my proficiency. We put the deal to Canadians—er, to use U.S. business terms, we put the deal to the shareholders—and Canadians turned it down. Understanding the democratic process as an American can do. I am sure that he will understand that we now have to work out something different. **MacLennan:** Do you think the Americans will be receptive?

Turner: I am saying that the Americans are realistic, they are pragmatists. They are not only our largest customer, we are also our largest customer. We are also an ally in defense and we

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will continue to be a strong ally. We have our atmosphere to clear up together, we have to continue to clean up our waters and manage our international rivers and lakes, and we have a number of issues around the world where we are very close to the American view. So it is in the interest of the United States, as it is in the interest of Canada, to maintain positive relations on the issues.

MacLean's: You often emphasize that *Carter musters majority government*, would you form a coalition with the NDP?

Turner: We would not contemplate a coalition with the NDP.

MacLean's: Under any circumstances?

Turner: No. MacLean's: What would happen if the Ross issue, a majority but had less than 50 percent of the popular vote? Would you expect that they'd not have a majority for free trade?

Turner: No, I believe it is impossible to guarantee.

MacLean's: Would you see the Senate agree to hold up the agreement until a referendum was held on the issue?

Turner: No, that election is a referendum on the trade deal.

MacLean's: Would you have with the first of the Canadian people support it?

Turner: I always accept the judgment of the Canadian people.

MacLean's: A few years ago you referred myself for a free trade debate between Canada and the United States. Do you support that procedure or do you encourage it?

Turner: No, I have always believed in free trade, but unfortunately I have always believed that Canada would be ill-suited to put aside free-to-free negotiations with a country like America. For one, we are, with 10 times more people and with 10 times the market. In order to penetrate that market under a bilateral arrangement, Canada would have to give up taxes the consequences—and that is where Mr. Mulroney did. I would continue to negotiate with the Americans but in a way that would not put our sovereignty at risk.

MacLean's: In 1985 Brian Mulroney and that he opposed free trade with the United States. What do you think changed his mind?

Turner: I cannot speculate. I am not his personal psychiatrist, and he has never given Canadians an answer.

MacLean's: Do you believe that Canada can never ultimately achieve a free trade deal with a major trading bloc?

Turner: I think that Canada would be ill-advised to become a junior partner in Fortress America. It has always been in Canada's interest to seek a widening trading perspective globally. A series of protectionist blocs around the world is never in Canada's interest.

MacLean's: The Conservatives have accused you of bringing in more taxes by supporting free trade. Would you support similar programs. How do you respond to that?

Turner: It is quite clear that the objective of the United States in these free-to-negotiate negotiations is to expand its own Canadian advantage, whether in fiscal programs, grants or

subsidies, that gives a Canadian enterprise an advantage over an American enterprise. Their definitions of a subsidy or unfair trading practices are found at the 1986 statute of the United States. The 1974 trade act and the omnibus trade bill just signed by the President. They are wide enough to cover an almost every regional economic development program and considerably the public social programs that give Canadian businesses an unfair advantage in their view.

MacLean's: You have indicated that you want to see the banks before replacing Ross and pay for your election program. But the *Postmedia* says that the banks are all public.

Turner: Mr. Mulroney did not give any indication of his budgetary plans in 1984 nor will I until I am the banks. Unquestionably in 1984, I have costed out my programs. You will have a total before the election, and it will give you an idea

of the total with the programs of the MacLean's: How did all the bad publicity that surrounded your campaign before the October election affect you? Did you ever feel tempted to leave the race?

Turner: I felt that if I could persuade Canadians to concentrate on the issues, then I would have an opportunity of winning this election.

For the first time in four years, I had an opportunity to talk to millions of Canadians at French and English about how I felt about our country, how I felt about the free trade test, how I felt about the gap between rich and poor under the Mulroney program. I was able to do that without any interference whatever from me, and I am satisfied that I was given a good hearing by Canadians.

MacLean's: Is that when things began to turn around for you?

Turner: I think that when Canadians understood what I was saying, when they heard it from me directly, our fortunes started to improve.

MacLean's: Finance Minister Michael Wigand has said that your campaign program would cost \$37.7 billion. Did the Tories' commitment itself cost making decision they were made before the campaign. How do you respond to that?

Turner: Mr. Wilson calls Tory promises "spending commitments" and calls Liberal promises "election promises." He quantifies his party's election commitments in dollar amounts and he has a fantastically courageous figure for me.

That is the new Tory myth. We do not have much time for it. We will produce our own figures as we use them in comparison with the Tory \$30.4 billion figures.

MacLean's: Has the campaign been particularly regular compared with others?

Turner: I do not particularly like being called a "newcomer." It seems to me that Mr. Mulroney has been welcomed by his American friends.

MacLean's: Is what you say?

Turner: Negative campaigning.

MacLean's: What kind of an offer will that have?

Turner: I think Canadians would react against negative campaigning. I have confidence in Canadians. Also, we have an overriding theme in our election—the future of our country. The American election had no theme at all.

'More and more

Canadians are coming

**to accept my view
that this is more
than an economic
debate—it is a
debate on the
future of Canada'**

French-language rights outside Quebec, particularly in Alberta and Ontario? What about the lack of protection for English-speaking Quebecers under *Meech Lake*'s "derivative minority clause"?

Turner: We believe that the spirit of *Meech Lake* and the charter of rights in the *Charter of Rights and Freedoms* both protect minority rights outside Quebec and within Quebec on an equal basis. We would not renege on *Meech Lake*. I would make every effort to have it ratified so that we would have our own ongoing constitutional program.

MacLean's: How do you feel about President Reagan's announced plan to deliver a speech in favor of free trade before the election?

Turner: It would surprise me if it's a president of the United States would intervene in a Canadian federal election.

MacLean's: How did all the bad publicity that surrounded your campaign before the October election affect you? Did you ever feel tempted to leave the race?

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'OUR CHALLENGE BEFORE NOV. 21'

BROADBENT WANTS A RETURN TO ISSUES



DECISION 1988
For New Democratic Party Leader Edward Broadbent, the Nov. 21 election will mark the end of his *front* campaign as party leader. And although the major topics in the campaign until Sept. 15—most notably a second place standing in public opinion polls—had dropped to a distant third by last week, as the Liberals and Conservatives fought neck and neck over the U.S.-Canada free trade agreement, Broadbent, in an exclusive interview with Maclean's in Toronto last week, *Broadbent's* remained optimistic that the Nov. 21 election would bring the same response in the final result of the campaign.

Maclean's: The *Freeze* movement has said that it would reintroduce free trade legislation even if it saw a majority government. What would your party do if you held the balance of power?

Broadbent: We would not support such legislation in any way—introduced by anyone. We could not support it—considering what we have said about this deal from the time it was announced, up to the last days of the election. In every section of our party, in every province, there has been total opposition to this deal.

Maclean's: Would you force another election over the issue?

Broadbent: I used the other way around. Anyone knowing our position on that issue would be forcing an election by reintroducing free trade legislation.

Maclean's: What about holding a referendum on free trade?

Broadbent: First, I want to make it clear that I am not making the assumption that

there is going to be a majority government—who knows what the outcome will be? But as the question of a referendum, there are a number of arguments against it. Truthfully, all parties in Canada have accepted—mostly, I think—that, given the regional nature of Canadian referendums are dangerous things from the point of view of national unity. I am happy to say that a majority of Canadians in all regions are now against the deal, but after a referendum

then campaign, it could flip-flop. You could end up dividing the nation on a regional basis over a fundamental issue. I think it would be very risky. There is another argument. This kind of deal is so complicated, so numerous in its complexity, that the political parties have an obligation to think through the deal and present options to the voters. That is our job.

Maclean's: But isn't this election already turned into a referendum on free trade?—to the exclusion of all other issues?

Broadbent: To a fair extent, that has happened. Part of our challenge between now and election day is to get other items back on the agenda: tax reform, the environment, child care, things that at first were on the agenda and were publicly discussed in the first three weeks [before the televised leaders' debate]. We were doing very well when the people of Canada were thinking in a substantiated way, not just about free trade and the independence of Canada, but about what kind of Canada they want. As long as those items were not there, we were doing well in a party. It has tended to be, from the debates on, a single-issue campaign for many Canadians.

Maclean's: How you allowed by that change in the campaign?

Broadbent: I won't use a word like victimized, but we have done less well when the discussion has concentrated on the trade deal. And, I hope less well, trying to speak after a speech that there are two questions to independence for Canada, but then what kind of Canada we want. As a social democratic, I would try to change the government's priorities—to focus on the corporate tax system, regional development and a wide range of areas. That remains our challenge before the election.

Maclean's: If there are any strong about the free trade deal that you like?

Broadbent: The dispute settlement mechanism makes sense for both countries. Steven Lortie, our trade critic, was the first politician to talk publicly about such an approach—about trying to develop some new multilateralism that would lead off these disputes before they get mixed in continental action. That makes a lot of sense.

Maclean's: Could the deal be amended in order to retain what you feel *indefeasible* in it? The East Coast factory, for me, is protected



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In the Canada-U.S. trade agreement, Broadbent says, "The protection makes sense only in the context of certain trade-offs that both sides saw as elements of the package that the deal is essentially unenforceable because it is too comprehensive. If you had a deal with two or three elements only, you could say, 'I don't like Clause B, but the C, D and E in the deal is a trade-off.' But that touches everything, from performance requirements to foreign investment, to energy pricing to medicare and social security programs."

Macdonald: *How could an SITT government and even Canada's SITT members*

Broadbent: We would rebuke the trading relationship with the Americans, starting from when we left off when we last had a trade agreement between. That would include negotiations on the SITT's dispute-resolution mechanism, and carrying over itself information that would be good for both nations. Then, when there are possibilities for bilateral agreements that would be mutually advantageous, we would do that. I am not talking about a single new document but an ongoing collaboration, about as if the last two or three years hadn't ended. We were each other's best trading partners, but there were problems. By and large they were taking more cracks at us than we were taking at them, but we took some cracks at them too. So a dispute settlement mechanism of some kind would be desirable. And, by the way, I would never envisage, as Mulroney talked about at one time, either of us giving up complete sovereignty in that area. That's absurd.

Macdonald: *If you forced a government you would be presiding over a country in which almost half the people wanted a deal that you are determined to throw out! What would you give them in exchange?*

Broadbent: What we would have to make clear is that, while we are critical of this deal, we are not critical of the American people. A Canadian business owner and Canadians love Americans, but they hate American多國人。There is a lot to like. Personally, I like Americans. But in a political context, it's easy for the Conservative government to portray the NDP as anti-American. After an election we would have to reassess that balance, to get that balance out of the way.

Macdonald: *How would the SITT handle relationships with the new U.S. administration?*

Broadbent: I now George Bush, who he was here as vice-president, and I am not sure why will Lecture, to visit him in Washington, so he is a personal contact. I believe that he is a very decent guy, but he terribly right-wing conservative who dislikes. His attitude is so anti, for instance, as a lot more advanced than President Reagan's. There are extremists who do something about acid rain, and so do we. We have an interest in a dispute settlement, and so do they.

Macdonald: *Why are you not reassured by the trade agreement's one-month termination clause?*

Broadbent: That is like saying that the right to a divorce ought to be reassuring when you

enter into a marriage. That is not exactly a healthy foundation for a marriage.

Macdonald: *You know that the trade agreement strengthens Canada's social programs. What government is an ally against social democratic advances?*

Broadbent: There are specific clauses that permit imaging in certain U.S.-style management services in the hospital sector, if a province so decides. But, for me, it goes beyond that, to the problem of harmonization of standards. The Quebec Business Council, the president of the Ford Motor Co. of Canada and a number of other business people have said that this deal means, in effect, as we cannot continue to do the same level of social services. A higher level of social services means, for them, higher taxes. The business community has always used those arguments since the time *laissez-faire* was first introduced. They have always said that we can't afford it

'We were doing very well when the people of Canada were thinking not just about free trade, but also about what kind of Canada they want'

and they believe that—they deeply believe that to remain competitive, we can't afford it. By having this deal, you compound those arguments. They would have a whole new argument to go to their governments with and say, "Sorry, we need cutbacks in these social programs, and you certainly cannot expand them." That means, for me, that Macdonald and people are threatened.

More importantly, there is a clause in the deal that could have stopped us from leaving medicine or say a future government wanted to bring in a pharmacare or dentures program, there is a requirement in the agreement of compensation. For Americans, insurance has always already in the field. If we take away their ability to bring in a state monopoly, they can demand compensation.

Then, you are uninsured, there were millions of dollars of private insurance tied up at the business and there was no compensation—the government just moved in and did it. But with

this deal, we would have to compensate big U.S. companies. I understand their interest, but I am opposed to it.

Macdonald: *But couldn't private insurance already use the government money?*

Broadbent: That is a huge argument. Where they have it, it's because there have been strong unions pushing for it.

Macdonald: *Social democratic in Quebec have no problem with neoliberal trade agreements why do you?*

Broadbent: For one thing, most of them remain very strongest foreign ownership performance requirements. The Swedish minister of international trade told me that she was astounded by the performance of trade agreements, energy and on the basis of performance contracts in foreign companies coming into Canada. As well, the European Community countries' social programs by and large compete with others. They are ideal in lots of ways and they are relatively ahead of the United States. They don't have to harmonize with a country that, I suspect in somebody believed. Even Senator Edward Kennedy says that Americans are not leaders on this concern at a social program, the Canadians are. But it is a nice to the wilderness right now in American society.

Macdonald: *In order to defeat the trade deal, would you encourage NDP supporters to vote Liberal where Liberal candidates stand a better chance?*

Broadbent: Absolutely not. I don't know where John Turner will ultimately go on this deal. I was astounded by Quebec Premier Robert Bourassa's comment a few days ago about Turner. He said that politicians are known to say one thing before an election and another thing after.

Macdonald: *Are you saying that Turner is lying about his opposition to the trade agreement?*

Broadbent: It has to go to my directly. I leave it up to other people to decide. I've passed our record and said to me a illustrates that Turner is one of the most conservative men to enter Canadian politics. I leave it to the Canadians to decide who is the real John Turner. The reformers are talking now, or the man who, when he had gone, minister of finance, was a member of a Bay Street lawyer, Alexander Broad, from Montreal, Montreal, Quebec and U.S. President Ronald Reagan.

There is a point where they have had a argument, so I am not going to say that John Turner is lying. But I am saying that I wanted to get rid of the trade deal. I would not say for him. Macdonald. Year after year. New Democrats go into campaigns high-handed and full of pisses. But there seems to be a certain we feel you can do. What is the problem?

Broadbent: We haven't yet seen the calling. A few weeks ago, the polls showed an entirely different set of circumstances. Polls can change between now and voting day. And having a set of genes from my mother, I remain optimistic that they will. □

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A MACLEAN'S
SPECIAL REPORT

THE TERMS OF THE DEAL

THE TRADE ACCORD, POINT BY POINT



The Nov. 21 federal election has in effect become a referendum on the Canada-U.S. free trade agreement. Signed on Jan. 2 by Prime Minister Brian Mulroney and President Ronald Reagan, the accord has been passed by the U.S. Congress. A bill implementing free trade also passed the House of Commons. But that bill died when Mulroney called an election, and a new government would have to reintroduce legislation.

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FT8 Agriculture	FT15 Services	FT21 Water
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THE PASSION OF TWO NATIONS

DECISION
1988

A Special Report

Part of agreement that is causing so much controversy, the preamble of the free trade accord cites "stronger mutualities" to strengthen "the economic and monetary framework" between Canada and the United States, to "promote full employment," and to "contribute to the harmonious development and expansion of world trade." But according to me, in these last years, whatever free trade has received its heat along the 49th parallel! The cause? Increased nationalistic cross, fuelled controversies about aerospace programs and defense procurement (page 974). On May 21, Canadians will discover how the issue has influenced the outcome of this federal election.

There is no absence of content to generate arguments. In 1,497 pages of chapters and tariff schedules, the Canada-United States Free Trade Agreement defines a new era in Canada's relationship with its neighbor. If it is implemented by a new government—and that still appears to hang in the balance in the final week of the campaign—the agreement would lead to the elimination of all remaining tariffs on goods crossing the border over the next decade. It would establish a new focus for settling disputes between the two governments—the boardroom, rather than the bazaar.

The agreement would move on as far as proponents originally wanted in opening up government contracts in one nation to suppliers from the other. As well, the two partners fell short of producing a code of conduct on the use of government subsidies and

other so-called "market" barriers. The real heat, however, is generated by the concept of "national treatment"—and by the agreement to apply the same rules in both countries—an "in-scope" trade—on-commerce in a wide range of sensitive sectors: agriculture, automobiles, energy, financial services.

The deal also has to be read in conjunction with several other documents that it incorporates or modifies, especially the General Agreement on Tariffs and Trade. The GATT, established in 1947, attempts to liberalize trade among 96 member countries, including Canada and the United States.

The terms of the contemplated deal are detailed starting on page 976. Organized by Business Editor Tom French, the sections of the agreement chapters were written by a special *Maclean's* team: Senior Writers D'Mary Joseph, John DeMott, and Mary Janzen; Associate Editor Patricia Chedoke; Assistant Editor John Daly; and Researcher-Reporter Bruce Behre.

The report begins with a description of Chapter 3 of the agreement. Chapter 3 sets out the general objectives of a proposed new "free trade area": to "eliminate barriers to trade in goods and services"; to foster "fair competition"; to "liberalize" the rules for investment; to establish procedures for making the agreement work; and to "lay the foundation" for further co-operation. Chapter 2 contains definitions of terms that, given the convoluted language of the agreement, are better left to experts and tribunals.

ROBERT LEWIS

PAINFUL HISTORY LESSON

FREE TRADE PROVOKES CLASHES ON THE CAMPAIGN TRAIL



It was a nervous inquiry from a pane-curdling waitress. Eighty-five years old, she in her senior citizen's apartment in downtown Ottawa, Windsor Curley called her son Paul last week to discuss the Canada-U.S. free trade deal. Would it decrease her federal old-age pension? Paul Curley, the former federal Conservative party's national director, soothingly replied that her pension was safe, that her medical benefits were secure. But, like many rural Conservatives, he has now experienced the emotions that the issue of free trade can evoke across the nation. "The Liberals and the New Democrats have discovered reality," he angrily told Maclean's. "This trade has become the issue—and the opposition party's base have scared people."

For the Conservatives, the 1988 election campaign has become a painful lesson in Canadian history. Time after time, since 1954 Canadian governments in their original British colonial masters have reached out hopefully to the United States for a tariff-reducing agreement. Time after time, those agreements have awakened passionate arguments against the agreements, scuttling prospective deals in 1911 and 1941. Or twice, when Prime Minister Louis St. Laurent and President Franklin Roosevelt agreed "to the best of our ability" to the creation of trade barriers in March, 1942, the Conservatives created free trade and made economic adjustments to avoid economic collapse. They did not discuss the specific effects of the agreement on Canadian sovereignty.

In the final weeks of the election, perhaps inevitably, the issue has moved from region to region, from province to province. Indeed, the most arguments have dominated the Canadian election campaign. (page 122) Since Maclean's clashed with Liberal Leader John Turner and his leader Edward Broadbent over free trade at the televised debates, the Conservatives have slipped to second place in their own polls—and into the final week fighting to retain a majority government.

Last week, concerned strategists questioned their decision to downplay the specifics of the deal—detailed in the following 18 pages—after the agreement was reached on Oct. 4, 1987. In an attempt to stave the slide, party strategists also attempted to shift the focus of the campaign onto another issue: the credibility of Liberal Leader John Turner and



his caucus colleagues. An senior Conservative told Maclean's, "If the focus stays on free trade, it will be pretty tough for the Tories."

In contrast, the opposition parties were equally determined to keep public attention squarely on the free trade deal. Throughout last week, in virtually every speech, Turner cited controversial passages in the agreement. Thus, in soothsaying tones, he assured his audience that Canada-U.S. relations would remain stable if the deal went into effect. But he had to fend off growing demands from opponents to spell out the cost of his campaign promises in an effort to keep the focus on trade. Said the Liberal's chief financial officer, Michael Relman,

"Unless the issue changes, it looks well for John Turner and the Liberal party."

For their part, some New Democratic Party leaders asserted that many voters now view the Liberals as the leading proponents of the free trade deal—legitimately because the NDP did not fight the agreement from the outset of the campaign. To counter flagging momentum and to gain the support of voters opposed to free trade, Broadbent vehemently attacked Turner as a racist conservative, a leader who would not defend average Canadians' interests. Against U.S. and Canadian corporate interests. As Louis Bortoff, the vice-president of Gallup Canada Inc., told Maclean's: "The war is get-

ting forgotten. It has become a battle of the names: Mr. Free Trade versus Mr. Anti-Free Trade. And everybody knows who has two sons."

With its close division and its fiery rhetoric, the trade debate of 1988 reflects the soul-searching emotion that has, in part, assailed the identity of generations of Canadians. The first Canada-U.S. agreement, the Reciprocity Treaty, was signed in 1854 to ensure free trade in unprocessed products, including fish and farm produce. Twelve years later, the United States

Loamer, again returned to the free trade thesis and he forged an agreement for lower tariffs. He was soundly defeated in the ensuing election. Almost 40 years later, in 1948, Liberal Prime Minister Mackenzie King concluded a draft agreement with the United States but cancelled it, fearing charges that he was anti-British communism.

The subsequent government decided to reach out as friendly to the United States and the Conservative victory in 1954. Determined to fudge closer relations, Maclean's told the Es-

sexay strategists carefully negotiated on the economic benefits of the agreement, citing general statistics that promised prosperity but that many citizens paled when Turner and Broadbent proposed Maclean's with emotional rhetoric and detailed questions during the televised debates.

Last week, Conservative strategists told Maclean's that their soft approach may have been a mistake. Perhaps they should have called a referendum on free trade before the election, they say. Or Ottawa could have insisted that there were problems with the agreement—and that they have undertaken to solve them. Said a senior strategist: "There is an argument, for example, that we should have brought in adjustment policies to help workers who will lose their jobs with free trade. But it was too late to act on robust measures to counteract those issues during the election."

Five days in, the Tories have had a major benefit to the Liberals. Prior to the televised debates, Liberal polls showed that Canadians probably did not care. Turned on completely, St. Laurent was proved wrong about free trade. A Gallup poll released on Oct. 25, three weeks before the English-language debate, showed that 42 per cent of Canadians opposed the deal while 34 per cent favored it. Liberal strategists told Maclean's that when Turner produced well as for dictators, he provided an outlet for that fear. Said Bortoff: "Usually television debates are focused upon personality. What made this debate for us was that John Turner's support became issue-driven, linked to free trade."

The debate was a setback for the size. Maclean's has learned that with polls prior to the campaign showed that the party would gain new voters with no free trade platform. The issues voters regarded free trade as an economic and managerial issue—and that did not have high regard for the party's capacity to manage the economy.

As a result, Broadbent emphasized other issues such as the environment throughout the first weeks of the campaign. Even after the debate focused attention on free trade, Broadbent stubbornly stuck to his own agenda throughout the seven days, to be spoke about old-age pensions, minimum corporate taxes and home construction. On Nov. 1, an emergency meeting in Ottawa 16 top strategists decided to track free trade as the central driver of concern. Canada had to distance Maclean's and Turner and to distance Bortoff and the Tories.

Canadian history has repeated itself. Once again, free trade has dominated an election. Once again, economics has confounded election. And once again, Canada's politicians have learned that history is always a guide to the present.

MARY FANGAN

Imperialist the accord, largely because of U.S. anger at Britain's support for the Confederate Rebels in the Civil War.

The cancellation raised an issue that has been posed for 120 years: is it in Canada's national interest to enter a comprehensive trade agreement that gives it open access to the massive American market? In 1878, Conservative Prime Minister Sir John A. Macdonald proclaimed his ideal National Policy of protective tariffs. He won the Tories behind free trade in 1885 but eventually reduced 34 protective measures when public opinion seemed to be turning against him. In 1911 his successor, Liberal Prime Minister Sir Wilfrid

Tracy Club of New York in Dredging at that year that "Canada is open for business again." And free trade negotiations began in May, 1884, concluding in October, 1887, also by a trade of marriage involving hundreds of officials. In the United States, Congress met for 160 more than a decade before it passed legislation to implement the deal. Then, on Sept. 28, 1894, signed it in a brief ceremony, and Canada implementing legislation died at the Senate when Maclean's called the Nov. 23 election.

Still, the Conservatives were always aware that they were treadng on dangerous political ground. From 1885 to the election campaign,

DEFINING THE ACCORD

NATIONAL TREATMENT AND TARIFF REMOVAL

CHAPTER 3 RULES OF ORIGIN

The primary purpose of the free trade agreement is *in silico*—that is, to open up the two markets for the roughly 25 per cent of trade that remains subject to trade. In addition to traditional commodities such as chemicals, paper, glasses and video recorders, the definition of goods includes those "beyond the market" and "goods taken from space." Because goods were often made with parts and components from several countries, Chapter 19 stipulates rules for the designation of the national origin of any product, and not the parts that it is made from. The rules are designed to ensure that foreign producers would not be able to use Canada or the United States as just-in-time sources in the North American model through the back door by performing simple packaging, labeling or minor assembly operations in other country.

In addition to goods that are wholly produced in North America, goods that incorporate new or used materials or components from third countries also could qualify for "North American" if the free-trade agreement becomes law. But to qualify, the third-party goods would have to be substantially changed in either Canada or the United States, or the raw materials would have to be substantially transformed to be classified as a domestic product. Both Canada and the United States would continue to apply their existing duties and trade rules to products that did not contain the required North American content.

Most goods would be classified for tax treatment if the value of the raw materials originating in Canada or the United States, plus the cost of



TALE OF TWO NATIONS

Source: Statista & CIA World Factbook	Canada	United States
Gross National Product	\$493 Billion	\$2 Trillion
Population	36 Million	346 Million
Average Income / Male	\$22,839	\$18,413
Average Income / Female	\$12,378	\$12,134
Average Income / Family	\$37,986	\$36,253
Average Education	12.2 Years	12.8 Years
National Minimum Wage (Avg.)	\$4.39	\$4.13
Average Age of Population	34.8 Years	31.5 Years
Murders / Per 100,000	2	7.5
Infant Deaths / Per 1,000	8	10.6

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CHAPTER 4 TARIFFS

One of the central features of the Canada-U.S. trade agreement is the commitment by both nations to eliminate all tariffs in stages over nine years. While more than 75 per cent of the trade is now duty-free, tariffs—mainly higher in Canada than in the United States—remain on a wide range of goods. Sixty-one per cent on U.S. imports of steel, 11.6 per cent in Canada, 5.8 per cent on U.S. imports of iron, 23.2 per cent in Canada, and four per cent on U.S. imports of lumber, 25.2 per cent in Canada, are still in effect for Canada and the United States to remove at a later date. There are also a number of other less visible trade protective practices, such as methods of tariff protection of imported goods. The agreement also prohibits either country from imposing restrictions on imports or exports.

The first article of the chapter states, "Noises shall increase any hunting nuisance day or night, any causes day or night originating in the territory of the other party." It then provides for the elimination of noise under three different methods if the noise becomes a nuisance. The first method is to have the noise discontinued by a permanent or at least 60 days we scheduled to be removed by Jan. 1, 1980, on such items as campers, boats, cars, motorcycles, whisky and some varieties of unperfumed fabrics. These would be phased out at five equal steps between Jan. 1, 1980, and Jan. 1, 1993, on such items as railway cars, lorries and explosives.

CHAPTER 5 NATIONAL TREATMENT

The agreement bars discriminatory laws against the goods of the other nation in the name of "national treatment," a concept similar to the 96-section trade pact known as the GATT. In the Canada-U.S. agreement, both countries agreed not to impose higher internal taxes, more rigorous regulations or more stringent laws upon foreign goods than they do upon their own domestic products. If Canada imposes taxes on Canadian companies, it would have to do the same on Americans. Given the fact that the U.S. has imposed taxes on Canadian lake steamers carrying a "Plamondon" label, the same regulation would apply to steamers produced there.

Finally, tariffs would be eliminated on 100 tariff reductions on such products as clothing, cars, radios and tires.

At the same time, the agreement allows both countries to speed up the elimination of tariffs on specific items if they choose to do so. Any agreement between the two countries to reduce tariffs faster than scheduled will become a

Both countries currently assist certain domestic companies by reducing the duties that the firms pay on imported materials—or perhaps a procedure known as duty drawbacks. A company can qualify for a refund by importing a

product and subsequently exporting it. A company is also eligible for such a refund if the imported good is incorporated as a product that is later exported. The agreement stipulates that all duty drawbacks achievable would be established by Jan 1, 1994, although it does not set a detailed timeline.

The Canadian government also operates duty drawback schemes under which duties on imported goods are reimbursed, provided that domestic companies meet certain performance requirements. The treaty identifies four conditions usually attached to duty waivers: that the domestic company export a specified percentage of its goods or services; that domestic goods or

subsidized for imported goods where possible, that the company purchase other domestic goods, or that the company meet a specific Canadian-content rule in the production. The agreement would probably require from starting May new duty-free programs expanding an existing or extending any of its current programs new products. In addition, the code stipulates that all duty-free

part, the two Island governments have been unable to resolve the disputes. The end result: numerous violations in goods, especially in the imported flour and wine to both of the United States.

The agreement makes it clear that "national investment" in a way undermines either a country's laws on the sale or distribution of firearms—*as long as any such law is applied fairly.* According to Ottawa's official interpretation of the agreement, Canada "can prohibit or restrict the sale of imported firearms" as long as the sale of domestically produced firearms are also prohibited or restricted. Similarly, of goods "imported to meet Canadian requirements for national defense."

In some, Chapter 5 merely reiterates its commitment to rule under the GATT. Yet, in other areas, it strengthens the terms of "national treatment" by specifically stating in words of the Canadian government's official memorandum, that a "provincial or state cannot discriminate in respect of measures taken within its jurisdiction against imported products."

Such practices provinces and states have chosen to implement in the exercise of national investment, and

CHAPTER 10 AUTOMOTIVE GOODS

The auto industry is the cornerstone of Canadian manufacturing, employing 360,000 people and generating revenues of \$37 billion. Vehicles and auto parts also represent the largest single component of the economies trade between Canada and the United States. Last year, Canada exported \$21.4 billion worth of automotive products, compared with \$16.2 billion worth of finished products. Canada's second largest export. Since the Canada-U.S. Auto Pact came into effect in 1986, the vehicle and parts industries have grown steadily and with contracts and have become integrated on a coast-to-coast basis, contributing significantly to the prosperity of Central Canada. The free trade agreement incorporates the Auto Pact, which guaranteed Canadian auto producers an equal opportunity to sell into the U.S. market.

The agreement also provides strict new North American content rules to make the Canadian and American auto industry more competitive with its rivals, particularly Japan and Germany. If the agreement is implemented, a small sliver of auto producers nationwide with assembly plants in North America would see their products across the Canada-U.S. border duty-free, a stipulation never in any previous foreign agreement. They could not, however, become members of the Auto Pact.

According to Article 1001, the policy of the free trade agreement is to eliminate the Auto Pact "to the best interests of replacement and production in both countries." For Canada, the Auto Pact ensures two important safeguards in order to ensure duty-free access to the Canadian market: a major of vehicles must produce one into Canada for every one sold in the country. Secondly, vehicles or parts



Car buyers: securing an integrated North America

produced in Canada must contain at least 60 per cent Canadian content. Automotive manufacturers based in Canada can import vehicles or parts from anywhere in the world duty-free, provided they are meeting the two so-called safeguards. For the Americans, the Auto Pact applies only to vehicles imported from Canada. It gives vehicles or parts from Canada duty-free access to the United States, provided they

contain 50 per cent Canadian or North American content. Critics of free trade have argued that incorporating the Auto Pact into the agreement is unnecessary because both countries have agreed to eliminate all tariffs over a period of 10 years. As a result, according to the critics, the threat of having to pay the duties on vehicles and parts imported into Canada, which forced manufacturers to comply with the safeguards, will be eliminated. Advocates of the deal argue that the provisions of the Auto Pact, which apply only to Canada, can be used to ensure the safeguards.

Although the Auto Pact would remain in the agreement, and Canada has retained the safeguards protecting its auto industry, a new North American content rule would determine whether vehicles and parts could continue to cross the border in either direction duty-free. That rule stipulates that 50 per cent of the materials and 50 per cent of the direct manufacturing costs would have to be North American.

It also contains a much narrower definition of North American content than the current rule in the Auto Pact, which determines whether automotive products from Canada can enter the United States duty-free. A manufacturer could no longer include expenses such as marketing, distribution and salaries for supervisory, administrative or technical employees in order to meet the new content rule. As a result, manufacturers would be forced to increase their purchasing and manufacturing in North America.

The agreement also includes a list of 249 Canadian vehicle and parts manufacturers who are now meeting the safeguards in the Auto Pact and could continue to export duty-free from that country. In addition to General Motors of Canada Ltd., Ford Motor Co. of Canada Ltd. and Chrysler Canada Ltd., the qualifying list includes 160 manufacturers, makers of off-road vehicles and trucks, parts producers and suppliers.

The Canadian government would review the performance of those companies during the 1989 fiscal year, while continuing to monitor export taxes, duties and levies.

Prior to the drafting of the free trade agreement, no non-North American auto manufacturer, except Volvo Canada Ltd., had qualified for Auto Pact status by

COVER



Roughnecks on a drilling rig curbing government's power to reduce exports

A TRADE-OFF OVER ENERGY

GREATER U.S. ACCESS, LESS CONTROL

CHAPTER 9 ENERGY

The dilemma is clear: Canada overflows with oil, natural gas and electricity. But the domestic energy market is extremely well-compared to the country's total reserves. The key to growth and prosperity for Canadian energy companies—already exporting about \$10 billion worth of products per year—depends on exporting into the huge U.S. market. Free trade in energy has basically existed since 1960, but the trade deal means that Canadian producers would have greater access to U.S. consumers by protecting export taxes, duties and levies.

The agreement also includes adding export taxes, duties or other charges unless they also apply to energy sold domestically. Taken together, those two measures would stop other countries from discriminating against purchases.

Critics argue that the provisions in Chapter 9 mean that Canada has effectively surrendered control over its energy supplies—a view vehemently rejected by the Canadian government. In fact, Chapter 9 clearly parallels existing rules on oil, gas, electricity and minerals pricing and exports that the two countries have already agreed to under the CFTA.

The trade agreement also would resolve the GATT provisions prohibiting other countries from restricting exports except during emergencies such as supply shortages or for national security reasons. As well, Canada and the United States have agreed to narrow the definition of national security to essentially military or defense needs. For Canada, that means that U.S. energy producers could no longer claim national security as a reason for limiting imports of Canadian energy.

Any controls on exports would be subject to their limitations in Article 904 of the agreement. That section says that if Canada restricts exports to the United States and still cannot meet its obligations, "proportionate" measures "to redress the effects" to Canadian energy producers' access to the United States only by the same proportion that it reduces total production. The exact amount would be equal to the current proportion of the Canadian energy that the United States bought over the previous 26 months.

Overall, however, the canes would not give U.S. buyers absolute rights to Canadian energy. In the case of an emergency, Canada would be under an obligation to sell any particular quantity of energy to the United States, as long as it involved American buyers with access to the required proportion of supply. American buyers would have the right to bid for the export portion of oil and gas extraction or the spots with Canadian buyers.

The trade agreement does not necessarily provide the final word in supply matters. The energy provisions of the agreement would be superseded by the oil-sheathing commitments that Canada and the United States have under the International Energy Program, a 1974 agreement entered into by 21 countries to deal with oil shortages.

Meanwhile, the agreement provides that two governments could meet if there was a change in regulatory policy by the National Energy Board in Canada, or either the Federal Energy Regulatory Commission or the 880-state Public Utility Commission in the United States, which could disrupt energy trade.

The agreement also would allow American oil—currently prohibited for export—to flow into Canada at a rate of up to 50,000 barrels per day. And both countries agreed to remove restrictions on uranium exports, including Ontario's controversial plan that Canadian uranium be upgraded before it is exported.

Future changes in energy between the two countries, according to the Canadian summary of the agreement, should promise "the treatment should there be any controls on energy conservation." □

TRADING WITH A GIANT

Value of Canadian Exports to the United States

■ Canadian Exports to the United States
■ Canadian Imports from the United States



EMERGENCY MEASURES

RELIEF ACTION WHEN EXPORTS SURGE

CHAPTER 11 EMERGENCY ACTION

What happens if Coopers从 the United States with duty-free hockey sticks? Or cheaper Louisville Slugger baseball bats invasion usually include so-called emergency actions which can be imposed to protect a domestic industry that has been hurt by a sudden and unanticipated surge of imports. In one such case, Canadian shoe manufacturers complained that they could not compete against a deluge of brightly colored women's "candy" shoes. As a result, the federal government imposed a global quota on such shoes, even though most were coming from Italy and Taiwan. In Chapter 11, the emergency action provisions allow both governments to use tariffs to defend a domestic industry.

If the free trade agreement goes into effect on Jan. 1, 1998, as scheduled, all tariffs between the two countries will be eliminated over a 10-year period. In the event that a Canadian industry is suddenly faced by U.S. imports and unable to compete during the transition period, the federal government



Harvesting apples in New Brunswick's flooded

could take two actions under Chapter 11: either it could suspend the tariff reductions for up to three years or it could impose the tariff.

But either government must meet certain conditions in order to use Chapter 11. The other country must be notified of a pending tariff action, and consultation must take place.

In addition, some specific sectors have already been included in exceptions and are protected in Chapter 12 of the agreement. These include agricultural controls on the import of live pigs from countries other than the United States, Canada and of Canadian beef and meat imports on a list the exception of the U.S. beef industry which would continue to require imports to the United States through American ports be carried on U.S. ships.

Without the beef exception, Canadian beef would likely driven in a flood of cheap American-made beef, because live wagons in the United States are much larger and could easily outproduce their Canadian counterparts.

Eastern Canadian fish plants would benefit more from the agreement than would the West Coast fishery. The agreement allows Quebec and the Maritime provinces to keep existing restrictions on apprehended fish exports, a protection for eastern Canadian fish processing plants. But Canadian negotiators were unable

to impose the safeguards—and none will be members of the Asia Pact in the future. Manufacturers falling into that category include such Canada Inc., Nissan Automobiles Canada Inc. and Jaguar Canada Inc. Most of these companies have restricted their activity in Canada to sales and distribution.

Those who are manufacturing in Canada would be required to meet the 50-per-cent North American content rule in order to move vehicles across the Canada-U.S. border duty-free. If they did not meet the new content rule, they would be forced to pay duty on a vehicle manufacturer's use of the two countries' parts in the other. If, for example, South Korea-owned Hyundai purchased a car in Quebec and exported it to the United States without 50-per-cent North American content, American customs would treat the car as a South Korea product.

The free trade agreement would also result in the elimination of two different types of so-called duty-reduction programs set up by the Canadian government. The programs were designed to encourage foreign vehicle man-

COVER

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Robots marking cars in Ford's Oakville, Ont., plant; government action

facturers to purchase parts in Canada.

Under the first of these programs, a foreign manufacturer selling vehicles in Canada can purchase Canadian parts in order to export them to similarly placed in-house or in third countries. For every \$1 in Canadian content in these parts, the federal government awards the foreign manufacturer a 70-cent credit. The credit is then used to reduce the price of the

Caadas Mfg. Inc.

and Toyota Motor Manufacturing Canada Inc. Currently, these companies are manufacturing or building plants in Canada. Because they are deemed to have made substantial investments in Canada, they would be entitled to a \$1 reduction of customs duties for every \$1 of Canadian content in the parts they produce. The agreement stipulates that those programs would go into effect Jan. 1, 1998.

In addition to dealing with specific trade areas, the agreement recognizes "the need for protection of substantive trade and production for the succorance of the two countries." It also acknowledges that the auto industry is going through rapid change in a worldwide basis. In order to ensure that the North American industry remains competitive, the two countries would establish a special panel of auto experts to advise the governments and private companies of both nations.

And despite the magnitude and complexity of the automobile trade, the agreement includes something that the average motorist can relate to. Canada has agreed to the U.S. decision to end its 100-year-old embargo on the export of used cars from the United States. Beginning in 1998, Canadians could bring in used cars that were at least eight years old duty-free. By 1994, the age restriction would be phased out entirely and Canadians could import any used car without duty. □

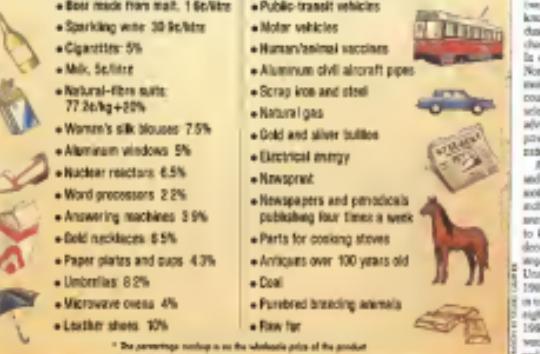
CHAPTER 12 EXCEPTIONS TO TRADE

If there is a place in the free trade agreement where free traders will blow, it is Chapter 12. This is made most of the longest exemptions and exceptions within the Canadian summary of the agreement (p. 6)—"recognizing that governments must retain some freedom of action to protect their legitimate national interests." The widely trumpeted policy guide for "national interest" exemptions is contained in the GATT and has been incorporated into the Canada-U.S. treaty. Among the situations in which an exception to free trade may be made are the protection of human health or plant life, trade in gold or silver, and the protection of natural areas or historical treasures.

TARIFFS AND DUTY-FREE

U.S. TARIFFS* ON SOME CANADIAN GOODS

- Beer made from malt: 16¢/litre
- Sparkling wine: 30¢/litre
- Cigarettes: 5¢
- Milk: 5¢/litre
- Natural-fibre suits: 77.2¢/kg+25%
- Women's silk blouses: 7.5%
- Aluminum windows: 5%
- Nuclear reactors: 6.5%
- Word processors: 2.2%
- Answering machines: 3.9%
- Gold necklaces: 6.5%
- Paper plates and cups: 4.3%
- Umbrellas: 6.2%
- Microwave ovens: 4%
- Leather shoes: 10%



*The percentage markup is on the wholesale price of the product.
Source: The Canadian/U.S. Free Trade Agreement Tariff Schedule

OPENING UP THE PUBLIC PURSE

BIDDING ON GOVERNMENT CONTRACTS

CHAPTER 13 FEDERAL PURCHASES

Promising along the 50th parallel¹ is only part of the story. The other half of the story is how to implement procurement policies—described in the Canadian commentary accompanying the free trade agreement as “important new progress in expanding the market opportunities for suppliers to government agencies.” The agreement gives Canadian and American businesses greater access to the public treasury across the border. For Canada, it is estimated that the market would grow to approximately \$3 billion from less than \$20 million. The market for American suppliers would go to \$400 million from about \$80 million.

Promised, the new markets would be created by expanding the number of contracts open for cross-border bidding. The present GATT code prevents bidding on any contract worth less than \$172,000 U.S. If free trade becomes law, Canada and the United States have agreed that businesses in both countries would be able to bid on government contracts of \$85,000 and up in U.S. dollars (at the Canadian equivalent at the time).

To facilitate the process, Chapter 13 makes improvements in so-called transparency procedures between the two countries. That means that each government would provide potential suppliers with rapid information and opportunity as well as fair and nondiscriminatory consultation. Each country also would create an independent review board that would assess “equitable, timely, transparent and effective bid-challenge procedures for potential suppliers of eligible goods.” In addition, the parties have agreed to “cooperate in monitoring the implementation, administration, and enforcement of the obligations of the chapter.”

Despite the stated intentions, government procurement in both Canada and the United States is likely to be an area of trade better known for restrictions than freedom. The provisions would not apply to state-level or provincial governments. And they would not affect the number of government departments or agencies that currently allow access to foreign

suppliers under the GATT code in Canada, 25 government departments and 10 agencies in the United States, 11 government departments and 40 agencies, as well as NASA and major U.S. research agencies.

In addition, sensible procurement norms in Canada, the departments of transport, communications, and fisheries and oceans are not included, along with certain areas relating to natural resources. In the United States, the departments of energy and transportation are not covered, along with the great majority of Pentagon purchases.

Article 13.7 of the agreement states that both Canada and the United States shall undertake bilateral negotiations with a view to expanding the provisions of this chapter “within one year following the conclusion of the current GATT negotiations.” However, the United States has already declared at various sessions that it opposes more open foreign access in its public spending—until that becomes common practice around the world. □



Government warehouse in Ottawa; better known for restrictions than freedom



Firefighter in British Columbia; potential cuts in Halifax threaten rules for services

CHAPTER 14 SERVICES

The official Canadian summary bill for Chapter 14 is a “trifling effort,” the first line that a trade agreement has covered services, in addition to goods. The agreement applies to a wide variety of service sectors, and that has sparked strong controversy—and led to the sustained charge that it will damage Canada’s health-care industry. According to the free trade pact, both Canada and the United States decided to address the issue of trade in services because it “represents a significant portion of international commerce in the 1980s.”

Chapter 14 establishes that one nation will attempt to eligible persons from the other country “to enter to less favorable” than it does its own business or individuals at home. The agreement sets out a framework for opening up trade in services in such industries as agriculture, forestry, mining, distribution, construction, real estate, insurance, computers, finance and architecture. Excluded from the agreement are transportation, utilities, distribution, law, medical and child care services, as well as government services such as health, education and social services. The criticism controversy is this area erupted because the agreement includes “health-care facilities management services” under the “management services”

category in Annex 14.06 and, elsewhere in the text, defines the concept of “national treatment.”

In general, the agreement is designed to free up trade in services by applying the “national treatment” provision at the federal, provincial and state levels. If the agreement is implemented, that would mean Canadian and American suppliers of services covered by the agreement and who conduct business in each other’s countries, cannot be discriminated against. Governments would be prohibited from imposing discriminatory or arbitrary barriers upon foreign suppliers. And they could not demand that foreign suppliers establish a presence or presence within their borders.



And suppose we argue that an agreement to open up trade in services would not mean much to the large American market—

But critics argue that opening up the Canadian service marketplace to Americans is a cause for alarm. For one thing, they assert that they are concerned over Canada’s ability to compete with the United States in the service area. They note that, while the United States has long been a leading service exporter, Canada’s performance in that field has been lackluster. The figures from 1986 illustrate these concerns: the United States achieved a \$25-billion surplus on its services trade account that year—while Canada had a \$4.5-billion deficit. □

ON-THE-JOB TRAVEL

A PROPOSAL TO END BORDER RED TAPE

CHAPTER 15 TEMPORARY ENTRY

As busy confrontations at international airports indicate, Canadian business travellers have been a special concern of American immigration rules. These previous rules made it difficult for business, advertising, technicians and professionals to cross into the United States to conduct business and service clients. In fact, Canadian entrepreneurs have often experienced delays and sometimes have been forced to travel to the United States for business purposes. But Chapter 15 of the free trade agreement includes new rules to make it easier for business travellers from both countries to cross the border. According to Article 1506, the new rules reflect "the special trading relationship between the Parties, the desirability of facilitating temporary entry as a reciprocal basis and of establishing transparent criteria and procedures for temporary entry."

The new rules stop short of limiting the ability of Canada or the United States to manage their distinctive immigration policies. But they reduce the criteria for business travellers going to either country. And they also mean that applications for temporary entry would be processed with fewer complications to prevent costly delays for business people.

To ensure that the new rules apply only to legitimate visitors, the agreement divides business travellers into four categories: business visitors, traders and investors, professionals, and accompanying travellers. To qualify for entry into the United States, Canadian business travellers who meet the normal health and safety standards would only need to present proof of Canadian citizenship and demonstrate that they qualify for entry under one of the four categories. The same would apply for U.S. entrepreneurs wanting to cross the border into Canada.

Under the agreement, anyone could gain temporary admission to the United States or Canada by applying at any border point and supplying proof that they fall into the "business visitors" category. The business visitors group includes people working in research, design, manufacturing, production, marketing, sales, distribution, and after sales service. And the category also includes general-service personnel working in industries such as computers,

financial services, public relations and tourism. But Canadian or American "professionals" would also qualify for entry cross-border as long as they work in one of the fields specified in the agreement. The lengthy list includes accountants, engineers, scientists, research assistants, doctors, dentists, nurses, economists, attorneys, buyers, teachers, economists, social workers, mathematicians, vocational counselors, hotel managers, dietitians,

stay-access sales under the "traders and investors" category.

It would also be simpler for people being transferred by their companies between Canada and the United States. Provided they have been working for the firm for at least a year, they would qualify for leave-maintenance rules and would be able to gain approval for temporary immigration in less than the current 30-day qualifying period.



Businessmen in flight: dividing business travellers into four categories

air, animal breeders, plant breeders, range managers, foresters, journalists, journalists, agricultural, technical writers and computer systems analysts.

In certain cases, the agreement defers the classification required. Hotel managers, journalists and mathematicians must hold a bachelor's degree. The journalists and hotel managers also must have "three years experience."

Under the agreement, Canadians involved in trading goods and services in the United States and entrepreneurs who have invested, or plan to invest, large amounts of capital in the United States would also qualify for the new temporary admission rules under the "traders and investors" category. The business visitors group includes people working in research, design, manufacturing, production, marketing, sales, distribution, and after sales service. And the category also includes general-service personnel working in industries such as computers,

To ensure that no problems arise in the future over business immigration, the agreement calls for disputes to be decided in the normal Canadian or United States Trade Commission. But complainants could be given only a clear notice of discontinuance appearance if a request for temporary entry is not decided within one year of application. Meanwhile, the two governments will meet at least once a year to monitor the new rules and also discuss ways of facilitating cross-border business travel. If management consultants are needed for the task, they are free to travel under the agreement. □

BUYING ACROSS THE BORDER



CHAPTER 16 INVESTMENT

The very term "foreign ownership" has survived as a battle cry for Canadian nationalists. But under Conservative Prime Minister Brian Mulroney, Canada was declared "open for business." The critics insist that in Chapter 16 Canada has given up too much of its rights to control American investment. In its summary of the chapter on ownership, one of the most contentious in the agreement, the government declared, "A transparent and secure investment climate is indispensable if the two countries are to achieve the full benefits of industrialization to trade in goods and services."

The goal of the chapter is to permit investors to move capital to cross the border more freely, and to let American and Canadian investors in a fair and predictable manner. The agreement applies the concept of "national treatment" to foreign investment. Canadian doing business in the United States would be treated as though it were American investors, and American doing business in Canada, as though they were Canadian.

The national treatment will apply to investment laws and practices existing in the future. Because national treatment applies only to future laws, most restrictions on foreign in-

vestors, existing in 1992, will remain. The government's summary also says that the existing review mechanism will continue to operate in the energy sector. All proposed acquisitions by Americans in the natural gas, oil and mineral industries that are valued at \$5 million or more—the current threshold—will continue to be reviewed by Investment Canada.

At the same time, by January, 1996, Investment Canada would no longer review so-called indirect takeovers, as it does now, where an American parent of a Canadian subsidiary is taken over by another American company. Currently, the United States does not review indirect takeovers. In addition, no more than one major corporate-controlled performance requirement on foreign investors. The proposed restrictions are listed in the agreement.

The exemptions in the agreement include all businesses—including federal and provincial Crown corporations—that exist when and if the free trade act is implemented. As well, national treatment does not apply to the financial services industry, from banks to securities dealers—except insurance, government purchases of goods and services; or transportation services. National treatment would not apply to the "conduct and operation" of noncovered services such as education and health care. Those services could be owned by American investors, but Canada would retain the right to determine how they are run.

One other important change is to the Investment Canada Act, which now allows the federal agency—the Conservative successor to the former Liberal government's Foreign Investment Review Agency—to review and block proposed takeovers worth more than \$5 million. The agreement would raise the threshold for review to \$10 million in stages over 5 years.

Exemptions of businesses owned by investors in the other country would continue to be permitted but only under certain conditions. The exemptions must be for a public purpose, in accordance with the due process of law, nondiscriminatory, and only after "payment of prompt, adequate and efficient compensation."

Finally, to protect its regulatory role in the process from the sale of its business in other countries, which would be controlled, except where such transfers are accompanied with certain laws, such as bankruptcy. Disputes about the implementation, enforcement—especially those by Investment Canada—would be resolved under the dispute mechanism (Chapter 19). □



Bloomingdale's owner Robert Campbell: battle cry



Bank lobby: concentration in foreign ownership rules for the big institutions

COMPLICATIONS FOR THE BANKS

FINANCIERS FACE A NEW CHALLENGE

CHAPTER 17 FINANCIAL SERVICES

For Canada's financial institutions, banks, trust companies and insurance dealers, foreign direct investment rules have put a strain on their operations. In the financial services industry, foreign direct investment rules may result in far more significant changes than any that are proposed under free trade. Still, the reforms have prompted some Canadian financial institutions to seek Canadian banking offices in the United States. They say that they could suffer a competitive disadvantage. Banks and trust companies in Canada do not allow foreign institutions—nor are they permitted to own securities firms. And all of the major Canadian banks now have brokerage subsidiaries. But banks in the United States—Renaissance and domestic—are prohibited from owning securities companies.

Canadian financial institutions welcomed the

Canadian reforms. But they remain unhappy that American financial institutions now have greater freedom to invest in Canada than Canadians do in the United States. That has caused problems for Canadian banks with their newly acquired securities arms, some of which have U.S. branch offices. Because of their new Canadian bank affiliations, the securities firms could then restructure under American law.

Another foreign ownership provision also would be lifted in favor of American-owned banks operating in Canada. Currently, Canadian banks operating in Canada may own 16 per cent of Canadian's total banking assets, including foreign and domestic banks. Chapter 17 would exempt American banks operating in Canada, of which there are currently 15, from that ruling and therefore allow them to expand without restrictions. Whether or not American banks would choose to expand aggressively is another story. The 16 per cent ruling currently applies to the 27 Canadian banks operating in Canada, yet the total of these Canadian banks has reached only about 11.4 per cent of the whole Canadian industry. □

U.S. investors Chapter 17 does not change the existing Canadian law that an individual, corporation, or group of connected persons or partnerships—alone, or otherwise—can own more than 50 per cent of a single Canadian bank. A single Canadian investor, or group of investors, would continue to be free to own up to 100 per cent of a U.S. bank.

American ownership of Canadian banks could indeed become extreme. That has led to controversy, because some critics point out that individual American investors could own a series of 100 per-cent-share portfolios in Canadian banks, as long as they were not affiliated. That could lead to a Canadian bank being controlled or owned outright by American investors. But spokesmen for the banking industry say that the scenario is unlikely. Certainly, Canadian banks are as widely held, blocks of 10 per cent are very difficult to accumulate, bankers say. In addition, they say that there is little incentive for a group of unaffiliated foreign investors to take over a Canadian bank when new rules would control such a transaction under American law.

Another foreign ownership provision also would be lifted in favor of American-owned banks operating in Canada. Currently, Canadian banks operating in Canada may own 16 per cent of Canadian's total banking assets, including foreign and domestic banks. Chapter 17 would exempt American banks operating in Canada, of which there are currently 15, from that ruling and therefore allow them to expand without restrictions. Whether or not American banks would choose to expand aggressively is another story. The 16 per cent ruling currently applies to the 27 Canadian banks operating in Canada, yet the total of these Canadian banks has reached only about 11.4 per cent of the whole Canadian industry. □

The Canadian government and the provinces are the largest issuers of securities in Canada. Among its securities activities, the Canadian government and the provinces issue more than U.S. funds to American financial centers such as New York City. Historically, these government underwritings have constituted about 80 per cent of the operations of Canadian dealers in the United States.

In return, Canada has made concessions in the area of foreign ownership that could lead to future changes, both for Canadian institutions operating in the United States and for American corporations expanding into Canada's financial sector. Currently, foreign ownership of financial securities is limited to 100 per cent of a bank or trust company, or to a total of 15 per cent. The government would do away with the 25-per-cent rule for

CHAPTER 18 INSTITUTIONAL RULES

In terms of trade value, Canada and the United States are the largest trading partners in the world. With such high stakes, it is not surprising that there have been contentious conflicts in recent years—or that the two partners have had no compromise on the issues for the relatives. In recent years, Canada became the first country to launch a punitive-duty action against a U.S. export when it sought to limit American steel at the border. That step served as an effort to U.S. actions against the import of Canadian softwood lumber and timber. Those disputes created an one of two issues: subsidies or pricing. The free trade negotiations anticipated that, representing a comprehensive treaty, would also cause areas of other segments involving interpretation and application. As a result, they attempted to provide for early resolution of disputes before the new Canadian-U.S. Trade Commission and its panel of arbitrators.

At the outset, Chapter 18 stipulates that either country can be dispute-settling panels that already exist in the GATT for reviewing agreements that do not relate to tariff or anti-dumping cases. Those cases arise when a country believes government subsidies are involved or protection is being sold below the cost of production in that jurisdiction. Under Chapter 18, both government officials shall act to settle on the provisions of the agreement, but they cannot sue each other.

If the agreement is implemented, the Canadian-U.S. Trade Commission would be composed



Making Canadian stakes and sharper, celebrated conflicts and disputes

of the Canadian and American cabinet ministers responsible for international trade or their equivalents and one independent member per government representation. If one country does not want to send a new law or amend an existing one that might interfere with or violate the free trade agreement, the agreement requires that the other country first send written notification to the other country. Either party could then request

a meeting as an attempt to reach a mutually acceptable resolution. If a committee failed during the specific time allotted, the dispute would automatically go to the commissioners, which could call in technical advisors or support a mutually acceptable resolution.

The commissioners could also refer a lingering dispute to a five-member panel, panel for binding arbitration. Panels would have at least two members from each country. They would be selected from names developed by the commissioners. Individual members would have to possess technical expertise in a specific area and would be selected from government-appointed nominees. The panels would differ from those provided for in Chapter 19 dealing with alleged rules of unfair trading, although they would be selected in a similar manner. According to Chapter 18, each country would choose one member, with the fifth member selected by the commissioners. Failing consensus by the commissioners, the members would attempt to choose the fifth panelist. Should that step fail, the person would be chosen by lot from a list of selected names.

During a specific dispute, both countries would be guaranteed the right to at least one appearance before the panel. They would also be allowed to submit written arguments and rebuttals. Panels would rule on whether an action is consistent with the agreement but would pass their decisions to the commissioners for resolution. If the commissioners ruled that the offending measure was not within the agreement and the country that had introduced it refused to comply, the other country could invoke a panel of equivalent effect. The offender would not be given the option even if

BUSINESS ACROSS THE BORDER

A Sampling of Canada-U.S. Trade in 1987

(Thousands of \$U.S.)

	Can. Imports	Can. Exports
• Meat, Fresh, Chilled or Frozen	233,144	756,522
• Dairy Products, Eggs, Honey	68,666	40,836
• Wheat	—	50,703
• Tobacco	55,090	74,404
• Soap-Iron and Steel	74,898	101,703
• Crude Petroleum	138,006	4,610,750
• Natural Gas	—	2,527,254
• Iron Ore and Concentrates	248,499	425,102
• Coal	726,450	11,175
• Lumber	426,509	4,231,089
• Newsprint Paper	—	6,044,171
• Electricity	9,014	1,189,764
• Nails, Nuts and Bolts	46,803	368,409
• Aircraft with Engines	703,266	234,950
• Trucks, Tractors and Chassis	2,990,503	5,963,370
• Cars and Chassis	5,500,625	14,021,374

SOURCE: STATISTICS CANADA

JUDGING THE TRADE RULES

DISPUTES WILL GO TO A NEW PANEL

CHAPTER 19 DISPUTE SETTLEMENT

So Angeles and mines. Steel mills. Bulk in N.Y. television commercials. They may not have the ring of great designs, but in the history of Canada-U.S. relations, they have been the subject of justifiable debate—and changes of unfair trading and Canadian trade laws allow private interests to make them real. In particular, or counteracting unfair trading practices against one another. One of the most recent examples was in the U.S. lumber industry's argument in 1989 that Canadian exports of softwood lumber were becoming unfairly subsidized. To meet the 25-per-cent tariff imposed by the U.S. department of commerce, Canadian logging companies, union and the provinces agreed to an export tax of 15 per cent. The dispute settlement mechanism outlined in Chapter 19 was designed to resolve conflicts without prolonging controversies.

The chapter provides for the creation of the five-member judicial panel—two Canadians, two Americans and a mutually agreeable fifth—to review challenging or counteracting duty decisions by tribunals. The panels would handle appeals that cannot go through the courts, and their decisions would be binding and final. They would have the power to uphold a decision by a tribunal, but they could also order the tribunal to overturn it, decisions, or make one. Under a recent Supreme Court, Article 1987 stipulates that, within seven years, the parties should seek to develop new rules for



Logging in British Columbia: settling the courts

various previous panel decisions on subsidies or dumping. In such cases, one country could ask for a judicial panel to review the other's amendment. If the panel agreed with the complaint, the country would be ordered to seek a mutually satisfactory solution, through consultation, within 90 days. A new amendment, compatible with GATT and the agreement, would have to be passed within nine months of that consultation period. Alternatively, the other country could retaliate with comparable amendments to its trade laws.

In addition to dealing with amendments to the trade laws of Canada and the United States, Chapter 19 also defines the structure and role of the tribunal panels. Effectively, they would replace the courts as the means of appealing administrative decisions in trade cases. Should the Canadian Import Tribunal or the U.S. department of commerce levy a countervailing or dumping duty against a product or an industry, another country could task a review of the decision by a judicial panel.

The panels would be chosen from a permanent list of 25 Canadians and 25 Americans, most of them lawyers. Within 20 days of a request for a panel, each country would select two members. The two countries then would have 25 days to select a fifth member. If they could not reach a decision, the other party would be entitled to select a fifth member. Failing that, the fifth panel member would be selected by drawing lots, although anyone previously rejected would not be eligible.

The agreement also imposes a seven-day limit on panel decisions. A final ruling would have to be issued within 315 days of the date on which a panel was requested. By comparison, court appeals of tribunal decisions can last for two to three years. Panels would receive transcripts of tribunal hearings and documents submitted to the tribunal. They would accept written briefs from both complainants and respondent, would allow for replies to the briefs and would hear oral arguments. The panels could uphold the counteracting or countervailing duty imposed by the tribunal. Alternatively, the panel could order the administrative tribunal to increase, decrease or eliminate such a duty. Finally, the text of the agreement says that panel reviews would be binding on both countries and could not be challenged. "Neither party shall provide in its domestic legislation for an appeal from a panel decision to its domestic courts."

For months, critics of the agreement have contended that it would allow the export of Canada's water down river in the United States. For example, the proponents of the bill have argued the obligation. The only direct reference to water in the final version of the free trade agreement comes in section 13.990 of pages of tariff schedules governing the classification duties or benefits of "goods." Those tariffs are for "goods that governments impose on imports to protect specific domestic products from [U.S.] imports." "Water, including natural or artificial mineral waters and spring waters not containing added sugar or other nonalcoholic flavoring, juice flavoring, ice and steam." If implemented, the tariff stipulates

BOW TO CULTURE

FOUR KEY EXCEPTIONS UNDER THE ACT

Chapter 20 is the repository for provisions that did not fit anywhere else. From a ban on unauthorized audio recordings of U.S. television shows to measures protecting national security. For Canadians, the most notable of the miscellaneous articles are those pertaining to the cultural industries, broadly defined as publishing, radio and TV, film, radio and video recordings.

The first paragraph of Article 2005 states: "Dental industries may exempt from the provisions of this Agreement." There are four specific exceptions. One calls for the export of parts of materials and products, such as recording tape and records. The second favors the Canadian government, in the absence of a private domestic buyer, to offer "fair open market value" for any fair-share-owned cultural enterprise when "Canadian law requires its sale to Canadians." That provision overrules the federal government's 1985 policy on foreign ownership in the publishing industry that led to the purchase, in December 1986, by Toronto-based publisher Alan Porter of Doubleday Canada Ltd., after its New York City parent had been purchased.

The third exception addresses a long-standing "cultural" reticulation, meaning Canadian TV stations could no longer retransmit U.S. programs before American radio stations did. Canada could still inquire of its Canadian radio stations about material deemed obscene or in



Karen Kain in La斯蒂芬, addressing a long-standing reticulation

causal" reticulation, meaning Canadian TV stations could no longer retransmit U.S. programs before American radio stations did. Canada could still inquire of its Canadian radio stations about material deemed obscene or in

adult content or "objectionable" before airing them. The fourth provision would leave the United States with one residual right of 16 to respond to Canadian cultural laws. Article 2005 says that either country may take "measures of equivalent, counterbalancing effect" to counter actions that would have been considered illegal under the second if the cultural industries exemption had not been in place.

Chapter 21, the last chapter of the agreement, contains the articles for the interpretation and termination of the agreement. The two governments agree to exchange and publish all information necessary for the administration of the treaty. The accord may be amended at any time by mutual consent. It is scheduled to come into force on Jan. 1, 1990, "upon the exchange of diplomatic notes," and would remain in effect, "unless terminated by either Party upon ten months notice to the other Party."

AN ISSUE THAT FLOWED

For months, critics of the agreement have contended that it would allow the export of Canada's water down river in the United States. For example, the proponents of the bill have argued the obligation. The only direct reference to water in the final version of the free trade agreement comes in section 13.990 of pages of tariff schedules governing the classification duties or benefits of "goods." Those tariffs are for "goods that governments impose on imports to protect specific domestic products from [U.S.] imports." "Water, including natural or artificial mineral waters and spring waters not containing added sugar or other nonalcoholic flavoring, juice flavoring, ice and steam." If implemented, the tariff stipulates

that, over a 10-year period, the United States would remove a certain duty of 100-tenths of a cent on such lots of Canadian mineral and carbonated water.

At issue, Canada would double its tariff duty on "other" U.S. water imports to 100-tenths, federal trade experts defined "other" as a blanket water category that could include everything from water in tanks to bottled U.S. water.

Although water is not mentioned in the actual text of the agreement, the tariff does not preclude many other questions. Is water in the ground also a "good" under the terms of the treaty? The concern arises because the agreement says that the two parties could not restrict the export of a "good." But most

Canadian exports on the agreement contend that water in the ground is not a "good." And in an attempt to resolve just the many questions on "goods" do not apply to water in the ground, the Conservative government added a clause in Bill C-130, the legislation implementing the treaty. But the legislation did not the Commons' environmental paper when the bill was read.

The amendment in Bill C-130 sought to change "water" as defined "natural water and ground water in basins or solid state." That clause sought to establish that controversial sections of the free trade agreement, such as the definition of "goods," would not apply to water on the ground. The C-130 amendment added that other sections of the treaty do apply to water "packaged as a beverage or in tanks." Still, many fear trade critics insist that ground water can be exported

BATTLE LINES ON THE GUT ISSUE

Tablets of stone from 23 prominent spokesmen on the fundamental election issue of free trade

DECISION
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

Because of Canada's huge land, sparse population and regional diversity it is rare for a single issue to galvanize Canadians from coast to coast. It happened in 1972, when Canadian voters peripherally chose to bring a long-standing trade dispute against the Soviet Union to a head. It happened again in 1982, when Pierre Trudeau's Liberals jolted the Conservative-led Mulroney government into free trade negotiations with the United States, an idea that is older than the country itself—and just as divisive.

Although free trade has divided Canadians, the advancing ideas have had some great merit. A deep commitment to building a better society Mulroney has chosen some of the most progressive and articulate commentaries from the debate.



From left: Mulroney, Chrétien, Bourassa

Brian Mulroney, Prime Minister (b)
"After the Mík'Mi'k victory over the Anas powwow, America and Canada renewed their efforts to help restore Europe in economic health. These were golden years of economic co-operation, that saw the creation of the General Agreement on Tariffs and Trade, which lessened the tariff barriers that had so damaged the world economy; the International Monetary Fund and the creation of the European Common Market. The theme that ran through it all was free and fair trade. Free and fair trade was the lifblood of a reinvigorated Europe, a revitalized free world that saw a generation of growth unparalleled in history."

"To keep these principles in mind in we now formed on Prime Minister Mulroney's free trade proposal, a proposal that I am convinced, will prove as lasting. Already, our own nation generates the world's largest volume of trade. This two-way traffic in trade and investment has helped to create new jobs by the millions, expand opportunity for both our people, and augment the prosperity of both our nations."

John Turner, Liberal leader (opposition)
"We must let the system be the healer. The

Mulroney trade deal threatens our ability to do that. Without ultimate control over our economic, social, cultural and regional-development policies, we are less of a nation and we are less able to meet the needs of our own population in our own way."

"I will not let Brian Mulroney sell our sovereignty. I will not let that great nation remember its birthright. I will not let Brian Mulroney destroy a 130-year-old dream called Canada."

Edmund Broadbent, NDP leader (opposition)
"I understand Brian Mulroney likes to play poker. But it's not appropriate to gamble with the fate of our nation, with the fate of our traditions, with our social programs. Brian Mulroney had no right to gamble away the future of Canada."



Arwood: the wages of a symbiotic beaver

Margaret Arwood, joint negotiator and critic (opposition)
"This deal severely limits our power to introduce any new initiatives on the cultural front. It gives us no new freedom of movement, but much less."

"Our national animal is the beaver, not of the industry had co-operative spirit. It made the beaver, it is also noted for its lobes, when frightened, of biting off its own testicles and offering them to its partner. I hope we are not accustoming to some form of that impulse."



Criado: 'Complacency and smugness'

John Criado, Toronto economist (b)
"Many Canadians have been lulled into believing that the real choice is between free trade and the status quo. This deception helps to explain the complacency and smugness that characterizes much of the reaction to free trade that one finds, particularly in southern Ontario. Given the lesson that part of the country is at flood for people there to believe that there is no need for change."

Julia Langer, executive director of Friends of the Earth (opposition)
"The deal clearly facilitates the northwest's fear of Canada's natural resources and does not even mention the fate of environmental regulatory programs, pollution-control laws or public participation in local, regional and national environmental decision-making. Can we assume the environment will be protected? Probably not."

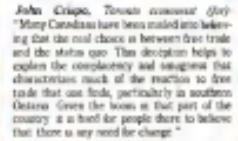
Robert White, president, Canadian Auto Workers (opposition)
"No matter how much the government tries to obscure and confuse the issue, the fact is that the switch on Canada-U.S. trade will be phased out over the next 10 years. The 'suspense' in the July 1 deal will therefore be reduced to 'guileless' with no possible enforcement mechanism. Furthermore, our trade are tied in terms of any future trade-related tax policy. But in an industry so important to our manufacturing base, which remains foreign-dominated and vulnerable to international trends, it is unaffordable to surrender the policy tools that we have, in law, absolutely vital investments of future policy, and leave the future to the uncertainties of market forces and unilateral corporate decisions."



Brewster: 'Unustainable and excessive'

Marjorie Brewster, Justice Alberta Awards court judge (opposition)
"I favor free trade but not this free trade agreement. The cost of securing the remaining 20 per cent of our trade with the United States is unacceptable and excessive. With the apparent decline of the United States as the world economic leader, and the rise of Asian-Pacific countries in the future cost of expensive world trade, a better option for Canada is to develop customized trade relationships, especially with countries in the Pacific."

"Country-specific clauses, which are the greatest barrier to free trade, will not be eliminated by the agreement."



Bisson: 'Nothing is damaging to medicine'

George Bisson, chairman of Eldorado Nuclear Ltd. (b)
"Saskatchewans will be a major beneficiary, given the increasing role of its uranium needs in the U.S. supply picture during the 1990s. This is particularly encouraging for uranium investment prospects in the province. The pot appears to be capable of dealing with projected needs in the U.S. uranium industry and Congress, which threatens subsidies of Canada's products."

Edith Irving, publisher and editor of The Causes of Canadians (opposition)
"I can sign without the slightest bit of rhetoric that these will



Hall: 'Nothing is damaging to medicine'



Hall: 'Nothing is damaging to medicine'

Bennett Hall, retired Justice of the Supreme Court of Canada (b)
"I favor free trade but not this free trade agreement. The cost of securing the remaining 20 per cent of our trade with the United States is unacceptable and excessive. With the apparent decline of the United States as the world economic leader, and the rise of Asian-Pacific countries in the future cost of expensive world trade, a better option for Canada is to develop customized trade relationships, especially with countries in the Pacific."

"Country-specific clauses, which are the greatest barrier to free trade, will not be eliminated by the agreement."

not be a Canada a generation from now if this agreement is allowed to proceed."

Thomas d'Apagiano, president of the Dennis Caillard du National Issues (DCNI), "Canada has export taxes per capita than the people of any other industrial nation. More than 30 per cent of our national revenue is generated by exports. More than three million jobs—greater than one-quarter of our workforce—depend on export trade. Of this trade, the United States absorbs about 80 per cent. The southward flow of our commerce provides jobs to more than two million Canadians."

"We don't always appreciate the critical link between trade and the growth of jobs. Since the Second World War, the value of our exports has increased more than twelvefold. During this period, we achieved extraordinary economic growth at the same time that barriers to trade were being lowered throughout the industrialized world. Exports have built our cities. Exporters have provided us with one of the highest standards of living in the world."

Marie Barlowe, chairman, The Council of Canadians (Agusta): "Make no mistake. We cannot integrate our two economic systems and leave one social system different. Eventually, they will become similar, and because no standards were set, and because we are dealing with a country so much bigger, their standards will prevail."



McDonald: "A lot of fear-expecting."

Barbara McDougall, minister responsible for the status of women (D): "There is a lot of fear-expecting. Under free trade, it will cost less to outfit a house and a well-cultivate our national parks. Our social programs are cut at risk."

David Peterson, Ontario jeweler (Agusta): "This is probably going to undermine the deal. I think we've given away far more than we've got, and I think we'll regret it."

Richard Lassberg and Robert Kirk, economists with the Toronto-based C.D. Howe Institute, in the criticizer's Trade Monitor (Agusta)



Richard Lassberg, left, and Robert Kirk, adversaries with one inevitable goal

Simon Rosenberg, free trade negotiator (B): "Let's get it straight. Those who oppose free trade should base their objections on facts, not misconceptions."

Laure Lassberg, president of the Quebec Federation of Labor (Agusta): "We are convinced that thousands and thousands of jobs will be lost."

"Whatever its shortcomings, the agreement provides for a major liberalization of trade and for the removal of most trade controls. It increases access in 18 potentially ways, ranging from the complete removal of tariffs on all trade in goods, to the setting of border crossings for business and service personnel, whose frequent harassment at the border is a significant snarl barrier."

"On grounds of access to the U.S. market for Canadian exporters, the agreement must be regarded as a major success. Everyone would have liked more. But the aggressiveness offered more in one fell swoop than any of the world's many regional trade agreements have managed to develop over several decades."



McGinn: seeing problems of food supply

Barryman McGinn, chairman, McGinn Foods Ltd. (Agusta): "Canadian farmers already compete directly with the food-processing industry with milk, cheese, poultry, eggs, fruits, vegetables and other vegetables at competitive prices comparable to those in the United States and comparable to those in themselves. And Canadian processors are not allowed to key those ingredients in the U.S."

Thomas Gauthier, director of the school of policy studies at Kingston, Our's Queen's University (Agusta): "The free trade agreement provides that, over the next five to seven years, both countries will attempt to develop a mutually acceptable set of rules relating to subsidies and other anti-competitive measures. The previous wisdom in Canada is that this will constrain Canada more than it will the United States. The opposite is far closer to the truth."

"I, as I suspect, Canada's new initiatives on the respond-to-policy front will be more successful than its post-forces in this area. Canadians may be quite prepared to agree to such a subsidy pact, since these new regional initiatives represent a commonality among free nations that are considerably in those that inherently are not."

"In contrast, a number of U.S. states have, over the period of the 1980s, suddenly developed regional-development initiatives in the wake of the multi-belt-to-multi-belt shift so that they are likely to be much more difficult to bring into line. Therefore, it is the United States, not Canada, that will probably be the stumbling block on the subsidy code. Advantage Canada." □

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Abies. But the Mulroney government pulled the compensation payment for the manufacturers down to \$33 million, and that is when Nigard's fury took root. "They changed it after the agreement was signed," he claims. The \$300 million was on the table when the Canadian government negotiated on everything. It was all decided by American policy. I was right in the middle of it. One minute putting my hat on and fighting my ass off to get this deal through, hand-in-hand with the top people in Ottawa. More than that, I'm being sold down the river because somebody on the other side flexed his muscles. What a s---er! It's a real horror story."

Nigard says that he has documents proving that the Canadian government was overruled in the \$300-million payout, with both former Minister Michael Wilson and then-International Trade Minister Phoenix Cayer agreeing to the principle of the deal before it was signed. Nigard is at a loss, but he says that he deeply regrets his mistake. Proof of his conviction is that he is one of the few Canadian companies that will not be hurt, even if the free trade deal happens to go through. Half of his \$200 million in annual sales already originates in the United States, and nearly half of the raw materials he uses are imported from China, Taiwan, South Korea and Indonesia. "They're not labor costs in China," he explained. "They print their goods up to the import quota of their customers and pay the most attention to low-cost people they can employ. These pricing deferrals make the lines of supply end demand. So you can compete against them, because if I put my prices down to zero, they'd still do it for less. They'd give me money."

Nigard is currently exploring his lines into new upscale linens, moving into \$300 billion linens and premium women's suits. Instead of relying on retailers to finance his clothes, he has opened 60 retail outlets under his own labels and plans to expand further. He looks among Canada's most adventurous entrepreneurs, and his new \$7-million Toronto headquarters is an architectural jewel. He is in fact the very model of the ambitious free-enterpreneur, or the person who the free trade initiative was designed.

His current disappointment, based as it is on far deeper considerations than self-interest, is that what went wrong is that the Mulroney government's free trade deal "let us fall into a sequence of decisions at the last minute which was very painful." Every garment came from him. It was his own cash that went through the Canadian government to the American market, not one of his ability to source from all over the world. That was his niche that was how he could compete, even though our tariff structure is now as high as theirs.

Nigard and other industry spokesmen say that U.S. negotiator Peter Newman, who oversees American textile lobbyists among his last functions, outlined Senate Ratification of the Canada free trade. The present manufacturers agreed to go along on the condition that Ottawa come through with a \$300-million duty-exemption plan that would have reduced tariff paid by Canadian clothing manufacturers on imported

The feel of a knife in the back

BY PETER C. NEWMAN

In the escalating rhetoric about free trade, one voice is silent: Peter Nigard, the mafioso. French-born clothing manufacturer who once led the textile industry's support of the Mulroney initiative, has opened up of the fight and meekly shrugs what happened. "It was the most frustrating, unpredictable experience of my life," he told me recently. "I opened my eyes to the treacherous complexities involved and to what the word 'treacherous' really means—how clever and sneaky they are and how they turn their ministers into puppets."

That from a man who had previously claimed that free trade would "act as a great catalyst and flush out the unruliness of our current situation... we must seize this moment when we have two goads—Mulroney and Reagan—with a similar mentality and mandates. Free trade is an issue that can't be denied, and we don't need to lose anything in the process." When the negotiations began, Nigard was appointed head of the clothing industry's international trade advocacy committee, and for two years was one of the treaty's most active proponents, rallying various approaches behind free trade. "My voice was heard representing one of the country's most sensitive industries," he recalled, "and I talked to many other businesses which have a high level of export. I carried the whole message, and the government was very influenced by it, because we would have been very satisfied with my belief that free trade was the right direction for Canada, a consensus theme. Mulroney to understand, and I still give him full marks for the attempt."

But, last week, Nigard about-askt eventually happened: "the last month is that, in the ultimate tragedy and of the industry was sacrificed—everything was sacrificed for convenience. It doesn't serve any useful purpose and in no way fulfills the mandate of free trade." He says that what turned him against the agreement was that it compromised the internationally agreed trading conditions that goods are treated and domesticated under even a raw materials

I'm being sold down the river because somebody on the other side flexed his muscles. It's a real horror story'

from any third country, providing the labor-value added in the importing country accounts for more than 50 per cent of the final price. At the moment, Canadian textiles and garments exported to the U.S. face a 21 per cent tariff, which under the agreement is removable only if domestically made raw materials have been used. "That's impossible to sort out," said Nigard. "Canadian garments use about 40 per cent domestic and 60 per cent imported raw materials. Let the numbers remain incongruous. It's impossible to verify exactly what's in every garment. That's one reason it's very difficult to have a consistent measure from it. It's also very difficult to measure across the board. On the only clean to the American market, not one of our ability to source from all over the world. That was our niche that was how we could compete, even though our tariff structure is now as high as theirs."

Nigard and other industry spokesmen say that U.S. negotiator Peter Newman, who oversees American textile lobbyists among his last functions, outlined Senate Ratification of the Canada free trade. The present manufacturers agreed to go along on the condition that Ottawa come through with a \$300-million duty-exemption plan that would have reduced tariff paid by Canadian clothing manufacturers on imported



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BUSH COUNTRY

THE REPUBLICANS RETAIN THE WHITE HOUSE BUT FACE A DEMOCRATIC MAJORITY IN THE U.S. CONGRESS

introduced by long president of the United States, he's not me."

Complicating Bush's task is the fact that he will preside over a government largely divided. Despite his substantial 40-state sweep, giving him 438 Electoral College votes com-

prised right wing, which regards him—and Baker—in suspect materials. And even on election night, his former Republican rival, Senate minority leader Robert Dole, charged that Bush had done little to help his party's congressional candidates. Said Dole: "It's go-



Nancy and Ronald Reagan, George and Barbara Bush, Dan and Marilyn Quayle: the vapor and vituperative campaign left no clear blueprint for action

pared with Bush's 112 in 10 states and the District of Columbia—voters strictly casted their vote by overwhelming Democratic control of Congress. Picking up five more seats in the House, the Republicans and another in the Senate, the Democrats will control the 105th congressional session next January in a mood more or less divided by the campaign's political and philosophical. That doesn't mean Bush's presidency in its first year will be smooth sailing. "We're going to see some real problems," says Sen. John Kerry, "We have to make the right decisions and statements, keeping his pledges to take action against our problems in a more forthright manner." Said Mayor Rudolph, former undersecretary of State for economic affairs: "If George Bush isn't fully

ing to be tougher because the bottom line is this: how many votes you have." In the past, Bush has often been criticized for avoiding decisions, preferring to sidestep conflictive issues. But his inability to compromise may prove fatal to his administration. "It's going to be so difficult to work with congressional Democrats right off the bat," says Sen. John Kerry. "We have to make the right decisions and statements, keeping his pledges to take action against our problems in a more forthright manner." Said Sen. John Kerry, "We have to make the right decisions and statements, keeping his pledges to take action against our problems in a more forthright manner."

Dole, meanwhile, assumed an unshaved

but defiant as Bush had been advised by his victory. On the morning after he had conceded his loss in a congratulatory phone call to Bush, aides found the Massachusetts governor back in the kitchen of his modest semi-detached house in the Boston suburb of Brookline, belatedly polishing the shoes before setting off for his desk at the statehouse. But in a news conference later that day, Dole said that his loss did not carry the same sting as his stunning 1976 defeat in the Democratic gubernatorial primaries. In fact, some longtime friends attributed his equanimity to Dole's growing realization during the campaign that he lacked what commentators termed the necessary "fire in the belly." It had lit his way to the White House. Even as a student at Pennsylvania's Scranton College, he had said that his ultimate ambition was to be a governor.

Choosing up Boston's polluted harbor. A *USA Today*—New York Times poll showed that voters was the issue that motivated 71 percent of those voting for Bush, despite the fact that it falls largely under state and local jurisdiction. "Look," said Dole, "there's no question that the negative campaign hurt us." The governor voiced concern that the very success of the attacks would mean more remodeling in future campaigns—a verdict with which constituents unanimously agreed. This year's campaign, Dole said, "may well set a standard we live to regret."

But even before Dole had offered his own public post-mortem of the election, other Democrats had turned to the services to legitimate him for his failures. Atlantic Mayor Andrew Young blamed his advisers for an aptly advertising campaign. Not only did they not know his

native South, and Young

"they did not know the Midwest,

they did not know the people."

Other critics expressed dismay at Dole's television election speech especially

the amateur.

At a time when his

modestly energized campaign

was regaining ground

in the polls, he chose to devote a large

portion of his

speech to attacking even his

opponent's failures. But most

discredited Democrats agreed

that Dole's principal blunder

was in taking too long to

adopt a single coherent campaign message.

"For your sake"—that played on the

traditional popular chords of

national, regional and class

resonance.

But critics—even within Dole's

own Bush shell—also

selected the governor's flaws of

classism, including his stubborn

refusal to listen to advice.

And many party veterans called

for reform of the process that

produced their candidate. Said Robert Borcus of Washington's liberal Institute for Policy Studies: "He presented himself

for what he was—a treasurer,

an unscrupulous Brooklyn

former who is registered

as unen-registered

and working

people. The trouble is,

that doesn't make many voters

and other supporters

of Sen. Dole.

Others pointed out that Dole's deficit

was also mitigated by the fact that he had fared

better at the polls than Walter Mondale

in 1984, who actually lost some states of

Massachusetts and Oregon. And by winning

Washington and Oregon, he became the first

Democrat to carry a West Coast state since

1968, thereby jeopardizing the so-called Repub-

lican lock on the region. Dole also par-

ticularly succeeded in one of the key congressional

districts in the nation.

But Dole's campaign had

been plagued by

problems

from the start. Dole's

campaign

had been

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WORLD

portion Durkin over Bush by a 9-to-1 margin, but fewer of those voted in key northern states than four years ago. In Illinois, where Durkin lost by nearly 115,000 votes, exit polls reported that same turnout dropped by about seven per cent—and by as much as 10 per cent in Chicago's largely black Cook County. Part of the decline was to lose with an overall mood of apathy and disgust at the campaign, only an estimated 46 per cent of the nation's 183 million registered voters cast their ballots, down by five percentage points from 1984. Meanwhile, Durkin's disgruntled party that could become the sole ally of the party that could become the sole ally of the

state split along racial lines.

But one Democrat emerged with increased clout from the long-winded debate. Lloyd Bentsen, who easily repudiated his Texas Senate seat, the conservative Bentsen failed to win Durkin the southern white vote or even to carry his own state's 20 Electoral College votes—but his chief success when he was named to the ticket but after starting the campaign as a soft and somewhat unpredictable speaker, the patrician 67-year-old politician evolved into a powerful cheerleader on the stump, who made so many speeches in the final week of the campaign that he spent election night almost asleep by lampight. He proved such an unexpected hit on college campuses that one local newspaper described him as a "tower of enthusiasm," and polls showed that he had the highest personal ratings of the four figures on the presidential tickets. That popularity is expected to increase. Bentsen's already considerable influence as chairman of the committee, where he has concentrated himself to fighting one of Bush's chief campaign planks is reflected in the capital press too.

In contrast, vice-president-elect Dan Quayle clearly remained an embarrassment to many Republicans, even in their hour of victory. After spending his election of his during the first week of the campaign, Bush will avoid defense when he spoke of Quayle at a Washington welcoming ceremony the morning after the election. Addressing wildly cheering crowds at Andrews Air Force Base, Bush assured them, "He's going to be one of the great vice-presidents. You watch him." But aides have advised Quayle to keep a low profile during his first months in office, as obviously that he should have no trouble in maintaining the key advisors who had promised him that the campaign have already left his service.



Durkin, with wife, Kitty, conceding defeat: 'I gave it my best shot'

In fact, Bush's swift move to establish Durkin as the sole figure of his administration seemed designed to dispel doubts about his judgment after his appointment of Quayle. As Bush's key political lieutenant over the two weeks next-door neighbors there develop against Houston, the millionaire lawyer shares such a support with the press corps that the results are quickly communicated at cabinet meetings merely by exchanged glances or raised eyebrows. So great is Bentsen's influence that James David Barber of Duke University speculates whether a Bush administration would really mean a "President Jim Bentsen" behind the scenes. But his appointment was heralded by U.S. allies in Europe, who in a press his leading role in controlling international exchange rates over the past two years.

Approval of Reagan's performance—the single greatest factor behind his win. At the same time, some analysts predict that the buttons his supporters were sporting on election night—"We are the change"—may prove prophetic. Bush has promised to "reinvigorate" the government with new men. And as rumors passed into his transition office to fill the 8,000 political patronage jobs listed in the government's official "plum book," conservatives jockeyed to win a majority of them. Still, most observers say that, unlike the Reagan administration, Bush's White House will harbor few right-wing ideologues. Said Virginia conservative director and tycoon Richard Fugate: "It will be a big-busines, Establishment, country-club type of administration, and their main concern will be to make it safe for multinational corporations to make a profit around the world."

Conservatives, as well as moderates, say that Bush's chief test will come when he is forced with making his first Supreme Court appointment. With Justice Harry Blackmun turning 80 last month, the first major appointment of the one-term high court to reach that age over the past two years, the opportunity to exert long-distance even the country's political equation may well come soon. Bush has declared that he has no ideological bias test for his selection and that he would appoint a "moderate with conservative views."

Bush's Denver-based political adviser, Robert Teeter—who, along with vice-presidential chief of staff Craig Foley, will oversee Bush's 75-day transition—says that Bush will be a more active president than Reagan. But after the success of his controlled campaign, analyst Jerry Bhagat, author of *Reagan's Blueprint*, the *New Leader of America* predicts that Bush may remain inaccessible to unscripted moments with the press and public because of his lack of performing instincts and history of verbal miscalculations. "If they let Bush be Bush," said Bhagat, "the potential for him making a few pins is much greater."

That potential has escaped good humorists, who are looking to Bush for new material for their trade. Seal Whittington, syndicated columnist Art Buchwald, "I had my worries about Mike Durkin becoming president and having to write about him for four years." Such light-hearted assessments may even brighten Bush as he returns from a Florida holiday this week to contemplate the sobering prospect of using his dreams come true—and leading his nation into an uncertain new decade.

The shape of a Bush administration remains hazy—wide from replacing Reagan's team of jolly boozers on the cabinet table with boards of his favorite—geeky sorts, Bush has vowed to carry on Reagan's legacy. And about 64 percent of his support came from those who

MARCH 1989 • 11



If you're concerned
about hair loss,
your doctor may be able
to help.

Your doctor understands your concerns about hair loss. With forty percent of men experiencing some form of male pattern baldness, concerns about the condition are common.

But now for the first time, there are now medically-approved treatment programs that are only available from your doctor.

Medical research has demonstrated that for many men these new treatment programs can be effective. Generally, results are better the earlier treatment begins after hair loss is first noticed.

This makes early detection of the problem important, particularly since some men can lose up to fifty percent of their hair before thinking becomes obvious.

So if you are concerned about hair loss, talk to the one person who can properly determine how well these new treatment programs might work for you. Talk to your doctor.

The sooner the better.



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Under a closely scrutinized test drive comparison, the Legend Coupe L nosed out the likes of BMW's 635CSi, Lincoln's Mark VII LSC and settled for a tie with the Mercedes-Benz 300CE, no less.

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WORLD



Bush and Mulroney at 24 Sussex Drive: addressing trade and acid rain

Neighborly relations

What a Bush presidency will mean to Canada

By FRANKLIN REED



It was a bleak moment on both sides of the border. On a cold afternoon in January, 1987—with the White House still reeling from the revelations of the two most-widely-trusted scandal—sheets landed on the desk of Vice President George Bush Jr. Prime Minister Brian Mulroney demanded his own political worth. With his shouting in public opinion polls at a then-record low, Mulroney complained that White House foot-dragging on its own commitments was undermining his government. Bush not only personally phoned Mulroney that afternoon to reassure him, but the next day he also walked into the Oval Office to tell President Ronald Reagan's blessing for a quick trip to Ottawa to shake the Prime Minister's sagging fortunes.

That four-hour visit—from which Bush emerged to declare proudly that "I got an earful" from Mulroney—was a sound forecast of the Prime Minister at home. And Bush went on to lead the fight within the administration to untangle \$3 billion in funding promised for an

acid rain study. In fact, Bush's administration is an example of how strongly a personal appeal can move the man who will become the next U.S. president. Analysts from both countries also see it as a demonstration of the knowledge and sensitivity Bush brings to the special Canadian-American relationship.

Nor is it the only favorable overture Bush made a pledge to fight acid rain one of his chief campaign themes. And his newly named secretary of state, James Baker, personally presented the final details of the Canada-U.S. free trade agreement while treasury secretary. Still, as many Canadians predict, a new, even warmer bilateral climate, other voices offer a more soberly-fair forecast. Posing as the Oval Office to tell President Ronald Reagan's blessing for a quick trip to Ottawa to shake the Prime Minister's sagging fortunes.

That four-hour visit—from which Bush emerged to declare proudly that "I got an earful" from Mulroney—was a sound forecast of the Prime Minister at home. And Bush went on to lead the fight within the administration to untangle \$3 billion in funding promised for an

accident of the New 21 election. From the campaign trail, Mulroney, who telephoned Bush in Houston the night of his victory—praised him as "a great friend of Canada for many years." And Liberal Leader John Turner sent his congratulations before the next morning, although it contained no mention of the free trade deal. Instead, Turner assured Bush that, if elected, he would co-operate "to ensure that the relationship between our two nations is harmonious and productive." And later, Turner told reporters that, if he were to be elected to lead Canada, Mulroney would down the deal as a "radical change in direction that didn't meet our sense of sovereignty."

Charles Doran, director of Canadian studies at Washington's School of Advanced International Studies, said that some U.S. officials are perplexed by the Canadian election campaign "John Turner is well-known by the policymakers down here," said Doran. "But they know the old John Turner. I'm not so sure they know the new John Turner." He predicts that Baker, having spent political capital on the free trade deal in unlikely to want to re-open negotiations. Added Doran: "There won't be any major efforts. They'll just say, 'Well, we tried. Now, we'll look somewhere else.'"

But Peter Rostow, former undersecretary of state for economic affairs, warned that a Liberal victory could increase U.S. fears of a return to such Trudeau-era protectionist measures as the Free-Trade-Licensing Bureau Agreement. Still, Doran said, "I think of the Canadian government as the 'good guys.' Both Doran and Rostow deny Mulroney's contention that tearing up the free trade deal should provide a headache against Canada on acid rain. As Leslie Hickey of the Canadian Coalition on Acid Rain predicted: "The free trade agreement will not be the reason for the United States to spend billions of dollars cleaning up the air. We'll get no redress agreement because Americans don't like the air we breathe."

Other analysts argue that strong relationships between leaders can mollify the sometimes-tumultuous winds of international affairs. Former Canadian ambassador to Washington Peter Towsen recalls an incident during the Reagan administration's first term. White House dinner in 1981 when Barbara Bush caught sight of Towsen's wife, an old friend from Towsen's diplomatic post, the vice-president's wife slipped out of the receiving line and threw her arms around Carol Towe. Over the next year, the ambassador banished himself with Bush at Washington's Art Club. "I always found her extremely well-liked, warm and friendly," said Towsen. "Bush was very favorable on issues relating to Canada." But Towsen caustically argued expecting too much from a man whose primary job is to protect American interests. "Sometimes we get the feeling up here that if we get someone in the White House who knows Canada, as bright and a nice guy, he's going to be nice to us," said Towsen. "That might be an unrealistic hope. But in the case of Bush, he added, "what we can hope for is wisdom."

MARCI MCDONALD in Washington

Victims of torture

Somali refugees are seeking safety in Canada

Once-proud cities have been reduced to rubble and ghost towns. Mass graves dot the desert landscape. Up to a million refugees languish in makeshift camps and hospitals, the victims of disease, thirst and hunger. Yet the civil war that has been raging in southern Somalia for much of this year goes largely unreported and almost entirely unnoticed in the West. And in Toronto, 25-year-old Aisha Mohamed vented the despair and frustration of Somali exiles at the world's apparent indifference. Recently notified that her father had died of malaria at a refugee camp across the Somaliland frontier in Ethiopia's Ogaden desert—and that her mother, two sisters and three nephews in the camp were suffering from the same ailment—she appeared distraught. "How helpless I feel about my family," she said. "Surely the Canadian government can do something to help."



Aisha and Saeed Mohamed and Ismail: 'Our people are dying'

report entitled *Somalia: A Long-term Human Rights Crisis*—which gave graphic details of torture, execution and other humiliations allegedly practised by the Siad Barre regime. The report described how prisoners' heads were repeatedly held under water until they nearly drowned; how electric shocks were

applied; and how male prisoners' penises were squashed with pliers and female prisoners were raped. In response to that and other evidence, 26 senators of the US Congress last month successfully blocked \$68 million aid to Somalia for 1988. In a statement, the Congressional Human Rights Caucus alleged: "The Somali government is engaged in inhumane acts such as house-bombings or bombings, massive, summary executions, torture, political imprisonment and killing."

But the Somali ambassador in Ottawa, Abdourahman Ali Omer, firmly defended his government's record. "Our people are with us," he said. "Ours is the first African nation to have a law—formalized in the Federal charter—that 'torture is a crime'." He explained: "We don't do that kind of thing at all—it is against our [Muslamic] religion, and tradition. Amnesty bases its report on accusations by a subversive group. They never requested permission to come and see for themselves."

Omar claimed that there is no large-scale fighting between the armed forces of the military dictatorship and opponents from the central Somali National Movement (SNM). "There is no civil war," he said. "There are only armed bands, who kill and maim children." The ambassador alleged that these "bands" were responsible for most of the damage to northern Somali cities, such as Hargeisa and Berbera, during recent fighting. But in Washington, Humanitarian Assistance chairman of the board for the United States and Canada, and that the two towns had been "hosted and shelled to pieces" by Siad Barre's army and air force. "There was a really indiscriminate attack," he said.

A videotape made recently by the arms and aid used by Muammar Gadhafi's showed destruction on a scale seemingly beyond the means of lightly armed rebels. And a recent expressnews report in *The Sunday Times* of London confirmed that the two cities, with an estimated combined population of one million, were "bombed." Between 30,000 and 300,000 civilians had been killed, the report estimated, and the survivors had fled, some to Ethiopia and the rest to other parts of Somalia.

In Canada, more than 1,200 Somalis are awaiting government action on their petitions for refugee status. In Toronto, the Canadian Centre for Victims of Torture, which is

How do 47 standard features create the complete car?

Draw your own conclusions.

Start with how far you can run (1) Notice the smooth aerodynamic body lines and curved headlamps (2) Notice how the front and rear bumpers and over the hood (3) Notice the complete car lighting shape (4) You can run a long distance (5) For example, running in an AM, you will be longer to idle your car.

CHRYSLER CANADA

Changing the landscape



People are really worried about this deal.

—Can you believe that Mulroney! In the debate he had his chance to answer everyone's concerns about Free Trade but he couldn't.

- Right! The government has spent two years and \$80 million promoting lions more. And yet after all this time we with them lions and fearmongers.

their deal. Big business is spending millions more. And yet after all this time all they can do is call those who disagree with them liars and fearmongers.

Let's get a few things straight.

- * The main reason the government went after this deal was to avoid American protectionism against our exports. But they didn't succeed. All the American protectionist laws still apply to our goods.
- * We gave up an awful lot for what we didn't even get. Like control over our energy and natural resources, and control over foreign investment, and over the service sector that counts for 70% of the jobs in our economy.
- * And as one example, our healthcare system will be affected if this deal goes through. Hospital management, nursing homes, diagnostic labs, blood donor clinics and scores of other services are opened up to for-profit American businesses. Article 2010



Who opposes this deal? We all do.

• 第1章 教育研究方法

Whose word do you trust?

- * Brian Mulroney and big business say this deal is good for women. The National Action Committee on the Status of Women, speaking for over 600 women's organisations, says it's terrible for women.
- * Brian Mulroney and big business say this deal is no danger to the environment. The Canadian Environmental Law Association, Friends of the Earth and 89 other environmental groups all say the deal is the number one threat to our environment.
- * Brian Mulroney and big business say this deal is good for Canadian culture. The Alliance of Canadian Cinema Television & Radio Artists, the Writers' Union of Canada and just about every other artists' organization oppose it because of its effects on Canadian culture.
- * Brian Mulroney and big business say this deal is good for seniors. The Canadian Council of Retirees, One Voice, The Canadian Seniors' Network and others all say it's bad. They haven't been frightened by Broadbent and Turner, they've been frightened by this deal.
- * Brian Mulroney and big business say this deal will mean more and better jobs. Yet every major trade union organisation in the country, including the Canadian Labour Congress, Confederation of Canadian Unions, Confederation of National Trade Unions, disagree.



Time ~~X~~ to decide.



We say this deal is bad for our members, bad for you and bad for Canada. We say it's time to decide, and the decision is not up to Brian Mulroney or the stock market or the richest businesses in Canada.

It's up to us!

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partially funded by the federal, Ontario and municipal governments, claims to have interviewed more than 75 Somalis torture victims since 1986. Many of them tell grisly tales of life in their homeland. One victim, a man in his 30s who, to protect his family, wished to be known only as Ali, said that he was detained without charge for six months in 1984. During that time, he said, he was kept in a cell less than 11 square feet, so small that it was impossible to sit. He was housed with 15 other men, he added, and his captors beat him 100 times behind his back and beat and tortured him for one occasion in the toilettes. He added that he was also taken to the sea, tied up in a rock and repeatedly submerged until he was on the point of drowning. Ali said that his family had also been a political prisoner and, after his release, had died of sepsis, recovered while in detention.

Toronto physician Michael Black, who examined Ali when he came to Canada in 1986, found that he had scars and lesions consistent with the tortures he described. And Toronto psychiatrist Donald Payne found that Ali was suffering from post-traumatic stress as a result of his experiences. Payne says that since 1986, he has performed psychiatric examinations on 34 Somalis men and one woman who claimed that they had been tortured. "They all reported that they were held in very poor or solitary confinement conditions," he said. "The food was very poor, often infested with insects." Payne added that "almost all of the detainees reported having been held in solitary confinement, and



Somali refugees in Ethiopia: a human rights crisis

this was usually associated with urinary degradation." He said, "In one case, this solitary confinement lasted six years."

One prominent member of Toronto's Somali

community is Ahmed Dahir, 54, who became foreign minister in 1984, four years after Somalia—formerly divided into French and Italian protectorates—won its independence. He left the ministry in 1982 after a transition policy of nationalization, and is now a free-lance interpreter for the courts and Immigration Canada. "Even when [President Siad] Barre goes, it will be difficult to restore our nation," said Dahir. "He has destroyed the very fabric of Somalian society, nothing nose to say on their fathers and brothers to say on brothers."

When Siad Barre, raised to power in a 1969 military coup, aligned Somalia with the Soviet Bloc, Moscow provided weapons for Somalia's war with Ethiopia, then a monarch, over possession of the Ogaden region. The Soviets also built up the South port of Berbera as an Indian Ocean naval base for their own use. But when a revolution in Ethiopia brought the Marxist Lt. Col. Mengistu Haile Mariam to power in 1977, relations with the Soviets changed dramatically. Moscow began supporting Mengistu, and Siad Barre switched allegiances, turning the Somalis into allies to the Americans. Since then, Somalia has been a recipient of U.S. economic and military assistance as high as \$190 million a year in the mid-1980s. But that aid has decreased gradually since then, and this year, congressional critics have suspended all help until there is a marked improvement in Somalia's human rights situation.

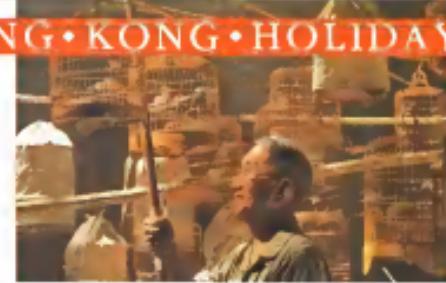
For some of the Somalis refugees in Canada, the need is a matter of life and death. But there is more urgent information for their relatives in the camps in Ethiopia. Albert Alan Peters, African representative of the Int'l High Commission for Refugees (IHCRC), and recently that his organization was caring for 385,000 Somalis in those camps in the Ogaden. There are even more refugees in remote areas, which the UN has been unable to reach. This year, Peters has given \$2 million to the UNHCR to aid Somalis refugees in Ethiopia. Peters, such as Amina Mohamed and Jim Headland Saeed, a French-educated economist and former tax official, caution that the Canadian government could help more by sending immigration officers to the camps and allowing those with families in Canada to immigrate. "Our people are dying in the camps at the rate of 300 or more every day," said Saeed. "Baris Mohamed has not hesitated to speak out against apartheid in South Africa. Why can't he speak out on Somalia, too?"

JOHN EHRMAN

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FASHIONING TOMORROW'S TIMEPIECES FOR OVER 100 YEARS.

HONG KONG HOLIDAY

香港



THE CANARIES WERE A CHINESE OPERA UNTO THEMSELVES, AND THEY WERE TREATED LIKE PRIMA DONNAS.

“We were enchanted by old men raising their song birds for visitors. Their canaries were a Chinese opera unto themselves, and they were treated like prima donnas. Many of them even accompanied their owners to tea. Canaries are very popular pets in Hong Kong, so much so that on Hong Lai Street, that’s all they sell.”

THE OTHER SIDE OF HONG KONG
“We were surprised to learn that over 75% of Hong Kong is made up of islands, many hills and farms. We expected

“The land between — the countryside between Hong Kong and the China border — and found ourselves driving in a village market among people in traditional Hanfu dress. Another day we hiked in a



village built on stilts over water. You try to ask in the market, take them to a restaurant and they cook up the fresh sea-food you ever tasted.”

BAZINGA! CULTURE

Hong Kong is more than cultural, it's dazzling. The jungle of signs with giant Chinese characters, blaring signs at night, shiny markets, and temples full of plating gods and the amulets of incense. We just loved it. If we knew how much there is to do and see in Hong Kong we'd have stayed twice as long.”

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JUSTICE

A secret indictment

A Resistance hero faces war-crimes charges

As a hero of the French Resistance movement, which fought German occupying forces during the Second World War, Maurice Papen had a high status in the country's postwar government. In the postwar years, he served as chief government advisor to two régimes of France and was Paris police chief from 1958 to 1966. In 1968, he was elected to the National Assembly and went

from there only to learn of the indictment when then assistant justice ministry officials in Paris about the road. André of the year's 1970 election, René Léger, Serge Klarsfeld, said at that time would evidence against Papen for the trial to begin in six months. But Klarsfeld said that government officials might try to delay the case in the hope that Papen would die before justice can bring him to trial.

So far, Papen has been remarkably successful in avoiding facing the charges. He was helped by the reputation he acquired for aiding the Resistance movement during the war years when he served as an attorney general—the civilian official who was second in command—in the French region of the Gascogne, which includes the city of Bordeaux, under German occupation at the time. Baudouin and others say that, during the same period, Papen signed documents ordering the deportation of 3,000 Jews. None of those allegedly deported by Papen survived the war.

The allegations first surfaced publicly in 1964 at the Paris-based monthly *Le Courrier des Droits*. At the time, Papen rejected the allegations, but Papen asked a commission of former Resistance fighters to look into the charges. Later that year, the commission concluded that Papen should have resisted rather than carry out the German deportation orders.

Papen was finally charged in 1983—and again in 1984. But both times, his lawyers argued an appeal, coming to quash the charges on technical grounds. Now, some citizens of the French police service have said that the administration of President François Mitterrand is concerned that trying Papen would awaken bitter memories of the war years, when thousands of French citizens openly collaborated with the Germans in their efforts. Stéphane Baudouin: "We must bring out the truth and we must make an example of Papen."

According to Baudouin, the indictment was delivered in July. But under French law, legal officials are not obliged to make charges public until they bring the accused to trial. As a result, Baudouin and other lawyers representing the

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Space on Earth

The Soviets have taken huge leaps forward

On Nov. 26, a Soviet *Soyuz* spacecraft is scheduled to float off from the Soviet Union's *Baikonur* space center in Central Asia, and the Soviets are not French tourists. In addition, the crew, three cosmonauts plus a live guinea pig, the Soviet's *Mir* space station, which has been orbiting Earth since 1986. The three men are expected to spend nearly a month aboard the space station, working on a prototype building module for future space stations and carrying out scientific experiments. MacLean's Moscow Correspondent Anthony Willow-Smith recently visited the Soviet base near Moscow where the cosmonauts trained for their mission. (PBO report)

As he ushered a visiting delegation in for a full-scale mockup of the Mir space station, Soviet Gen. Vladimir Shatov showed all the enthusiasm of a salesman displaying a product to a prospective customer. "Over here, on the right," he said, "is where we can link additional modules with the main spacecraft. And here, in this section, we see the compartment where laboratory testing is carried out." Then, Shatov, a daring air force colonel who is now director of the Soviet Star City space training complex, paused and sighed. "Althh, such fine equipment these folks have nowadays," he said. "In my day, there was nothing to compare to this." Shatov's confidence was understandable. It clearly bore out the opinions of many Western scientists that the Soviets have taken astounding leaps forward in space technology.

Star City, located in a heavily guarded rural area 85 km east of Moscow, provides a vivid example of the care and reverence the Soviets bestow on their country's space program. The complex is a series of interconnected, fully enclosed, air-tight apartment blocks, a walled-in, about 700 residents, a large recreation center, a museum and building of various units that are used for training and study facilities. The 3,500 permanent residents include most of the estimated 100 cosmonauts—survivors of all—so in the Soviet program, although 27 of them now live in a compound in Moscow. At Star City, families can shop at well-stocked stores, swim in one of three swimming pools or watch movies as a theater. Declared Shatov: "Everything is designed in this while the cosmonaut is training; he need not leave."

Much of the cosmonauts' time at the complex is spent conducting drills under conditions designed to simulate life in outer space. In one exercise, cosmonauts in full space gear with oxygen tanks attached perform a variety of

mechanical repairs over a fine-hair stretch on a space reporter that is submerged in 65 feet of water. By working underwater in a vacuum, tight and cramped conditions, the cosmonauts eventually come close to duplicating the effects of zero gravity in space. In another drill, conducted inside the mock-up of the Mir space station, cosmonauts work in 24-

hour, an occasional break is understandable." But despite such behavior, the cosmonauts clearly understand the importance of careful and lengthy preparation for their journeys. Each task to be performed in space, said Shatov, "is practiced here first, down, if not hundreds, of times." The cosmonauts clearly favor that passage. Said Alexander Aleksandrov, a veteran of three missions: "When you are up there, there is no time to suddenly say, 'I forgot how that worked!'"

The Star City complex also contains poignant reminders of the danger that is a constant伴 of each cosmonaut's life. In the Space Museum—one of the only areas open to the Soviet public—more than 80,000 people annually visit a three-story exhibit that includes tributes to six cosmonauts who died in the line of duty. The most prominent display is devoted to Yuri Gagarin, who in 1961 became



SOVIET CAVES: unassimilable confidence and a vivid example of care and reverence

hour shifts, conducting experiments and testing their reactions to problems that they may encounter in space.

Some of the most experienced cosmonauts do not always trust the preparations arranged by Gen. Shatov, a pragmatist who is part of the old school breed that tends the cosmonauts. "At times, they react like small children as they feel around." On the day that MacLean learned the truth with Shatov—a rare example of the recent Soviet policy of openness or openness—Pravda cosmonaut Jean-Louis Chirat, a veteran of the first Soviet mission in 1963, was training for the next mission that is scheduled to be carried in the Mir simulator for a 24-hour shift, suddenly opened the door of the craft, unsecured "Luchzhina," and started out. A visiting Shatov said, "For those with experi-

the first man in space and who died while test-flying an aircraft in 1968. Twenty years later, Gagarin remains an almost mythical figure to both Russians and Soviets in general. At a memorial statue in his honor, visitors place an average of a dozen bouquets of flowers every day.

Despite their often hard-boiled public image, such reactions are typical of many cosmonauts. Gen. Shatov, whose fascination with space began with the John Glenn mission, began with the John Glenn mission that he read as a boy. "All the responsibility I now have here, I would give up in a minute to go back up again," said Aleksandrov. "Once you have been in space, it's an experience you always want to repeat." At Star City, the idea to go into space has many extremes—and no shortage of denominations.

ANTHONY WILLOW-SMITH in Star City



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Johnson at work last week: a judicial inquiry looks into drug use in sport

SPORTS

Ben's new challenges

A fallen hero talks about life since Seoul

For three days in September he was atop the world's highest pedestal, the hero of the Seoul Summer Olympics and the most celebrated athlete ever to compete for Canada. Then, within a haughty snub of a lifetime, he brought Ben Johnson's world crashing down. The International Amateur Athletics Federation struck down his world-record time of 9.79 seconds in the 100-m sprint, and the International Olympic Committee withdrew his gold medal. Canada's sport minister, Jean Chrétien, and others said that Johnson would never again race in Canada's uniform. Last week, in an interview with Maclean's, Johnson stood by his earlier statement that he had not "knowingly" used steroids. He also spoke hopefully of soon competing once more against his archrival, Carl Lewis of the United States. "It's part of a matter of time," Johnson said. "I think things are going to work out. But we don't know when or where yet."

Johnson's chain of accusations at the start of the inquiry will move a step closer to being put to the test this week, when a judicial inquiry into the role of drugs in sport—and particularly in Johnson's championship performances—will be held. The inquiry, which is investigating the 100-m sprint, will hear testimony from the 100-m champion, Carl Lewis, and the physiologist, Whalene Matsunawa, before both de-

scribed as they did not administer steroids to Johnson.

Other witnesses likely to appear before the inquiry could present conflicting evidence. Earlier this month, The Toronto Star quoted Canadian women's 100-m champion Angela Isaacson, who trained with Johnson under Francis' direction, as saying: "I'm fed up with the bull. Ben takes steroids. I take steroids." And in an interview last month with Maclean's, Isaacson declined to repeat or refine those statements. She said that she would speak openly at the inquiry. Said Isaacson: "If I am asked specifically, I will say yes or no. I don't feel forced to that because I don't want to negatively affect people who have been good to me."

On the eve of the inquiry's opening, Johnson appeared to be relaxed and cheerful as he resumed training last week at Toronto's York University. Commenting on reports of a possible high-stakes race against Lewis in the next forum, Johnson said: "I don't care. If I can't decide to compete, I don't see why not. The public would like to see us race again." Lewis, who placed second behind Johnson in the 100-m event in Seoul, collected the gold medal after Johnson's disqualification. However, track-and-field experts noted that Lewis' fastest single-race, 100-m performance from the U.S. track-and-field trials is far from the one he won against Johnson while the Canadian runner was under investigation.

For his part, Johnson said that he was not upset over recent events in his life, including criminal charges last Oct. 13 after he allegedly pointed a stun gun at another motorist. "I feel perfectly good," said Johnson. "Life goes on." He also indicated that his fortunes had not been seriously affected by the cancellation of some commercial endorsements, contracts following his disqualification and his inability to run competitively. "I just play it by the day and month. It affects me a little bit," he said, "but not in much to some people think."

Echoes of Johnson's fall have already reverberated widely through the right-to-left Canadian track world. Isaacson is among half a dozen Toronto-based athletes who are associated with Francis and whose training schedule following the Seoul Games originally set to resume on Nov. 1—has been thrown into disarray by the coach's self-imposed banishment. The likelihood that seven of top-ranked athletes will be called to testify at the inquiry led corporate sponsors like Bell to switch to one of the competitor's track meets of the Canadian winter season—an indoor meet normally held in Toronto in January or February. And the tale of racing in the country's only national track magazine, the Toronto-based Athlete, which is published four times a year, has already dropped off. Soul publisher Gail Smith: "Between 80 per cent of us have nothing to do with drugs, 100 per cent of us are tainted." Sadly, the state of the steroid scandal is more likely to deepen than to be resolved under the penetrating scrutiny of the Dohm inquiry.

CHRIS WOOD

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HISTORY

Counting the 'kills'

New claims about the Great War's top gun

For 70 years, students of the First World War have been taught that Manfred von Richthofen, Germany's famed "Red Baron," was the most deadly fighter pilot of his time. Richthofen shot down 80 enemy aircraft in his famous Fokker triplane—but before being gunned down himself in 1918. Now a British researcher has concluded that Richthofen may not have been the top gun after all. Instead, the honor belongs to Canadian W.C. "Billy" Bishop. Colleagues of Bishop's are collecting copies of Colleagues' combat records from around the world, researcher Tommarchy Groves concluded that Colleagues may have downed in enemy as 85 German planes. That would put him well in front of another Canadian fighter ace, the stratospheric William Avery (Billy) Bishop. Until now, Colleagues' claim has been largely overlooked by military historians. Said Groves: "He really deserved more credit."

Groves, a 37-year-old civilian administrator for the Royal Navy and an amateur military historian, published his findings at the November issue of the British magazine *World War II*. Investigating a new monthly military history magazine, in the official records, Colleagues is credited with downing 80 enemy aircraft, compared with 72 for Bishop and 73 for Edward Mannock, the British World War I ace who is the top British ace of the First World War. But Groves says that Colleagues may not have claimed all of his 85 confirmed kills because of rivalry between the British air services that operated independently from most of the war. Colleagues flew with the Royal Naval Air Service, while Bishop was a pilot with the Royal Flying Corps. Before the two services were amalgamated into the Royal Air Force (RAF) in 1918, writes Groves, aerial flyers frequently

got less official credit than flying corps pilots. As a result, he says, Bishop was credited with 72 kills even though only 13 of his claimed victories were witnessed by other pilots, compared with 60 for Colleagues that were witnessed. (Both pilots were credited with all the victories that they claimed, writes Groves. Colleagues' score would be 81.5, while Bishop's would be 75.6.)

Groves' conclusions are likely to stimulate a long-overdue controversy. Supporters of Richthofen, who died in 1918, flew to his funeral in 1962 with a Meissen "Flier's" porcelain figurine. The Red Baron's Missus questioned aspects of his war record. A book published last month entitled "Billy Bishop: Canadian Hero," author Dan McCaffery defended Bishop with 75 confirmed and five unconfirmed victories.

For his part, Groves said that he did not want to detract from Bishop's achievements—only to do justice to Colleagues, who rose to the rank of air vice-marshal at the age during the Second World War. Colleagues died in Hanover in 1976 at the age of 82. But the debate over his ranking among the world's greatest aces will probably continue. Combat records from the First World War were notoriously unreliable, and some historians believe it is futile to try to establish exactly how many planes a pilot shot down. Said Sir Compton Henry Pritchett, head of Britain's air historical library: "The main thing is this: at the end of the day, we won the bloody war." In the meantime, Groves's research has focused attention on a Canadian ace whose achievements have long been overlooked.

ANDREW PHILLIPS is a London



Colleagues in 1941



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Perception, reality and politics

BY GEORGE BAILEY

The idea is not really new. Even when new, it clearly was more clever than profound. And it does not accord well with what journalists are supposed to be about. So why are we hearing on all sides about "perception" and, in tones of wisdom, that "in politics, the perception is reality"?

For example, and this is the best example I can find, George Steiner's remarkable scope of political comment after the last television debates was full of references to "perception." People, it seems, no longer think, believe, understand, accept, reject, comprehend, suspect—they "live perceptions." Dan Newmark, the senior parliamentary editor for the Television in Ottawa, was particularly insistent on the point that in politics, perceptions are what count.

As perception in this image appears to have no necessary association with thought, the appropriate definitions of the term presumably are of "impressions" or "subjective recognition, in of moral or esthetic qualities" and of "a single unified awareness derived from sensory processes, while a stimulus is present." True, moral and esthetic qualities are not what we look for first in political campaigns, but the process of acquiring perceptions, apprehension, is sensitive, and it follows naturally that the process is sensory and not intellectual.

If politicians want to accept perceptionality, okay, although the idea of completely sensory politics is not attractive. But the perception is at least understandable in a political context. What the phrase means, or appears to mean, is that what people think is the truth in the truth, whether it is or isn't. And then they go out and make their battles on the basis of what they think, that's that. The result is achieved. But what makes this hard to accept is that it seems principle of the process itself. A good, well-told lie becomes not simply as good as a badly told truth, but better.

Who should make up journalists en masse to think that the perception could come to dominate political reporting? Recently, in a book

more. However, if a journalists' crowd were being drawn up, the line, with minor amendments, would be worth quoting: "It is the responsibility of journalists to speak the truth (or as much of it as we can find and) and expose lies (without prejudice)." One trouble with the proposition that the perception is the reality is that it is an acceptance doctrine which suggests that further search for facts on whatever is at issue becomes a pointless exercise once the public perception has been arrived at.

Another trouble with it is that the process by which the perception is arrived at is maddeningly vague. What emerged from the Guelph discussion [perception, mind] was that it did not matter who had won the debate by any rational process of analysis of points made or advanced, assuming a rational process of analysis existed. What counted had nothing to do with content, but only the public's perception—"derived from sensory processes while a stimulus was present"—of the winner.

However, the stimulus in all such perceptions comes not just from the television screen but from what the media people writing and commenting on the event have told them about it. And, for the first telling, these reporters will have cast themselves in the role of viewers, in effect gathering their own perceptions in order to pass them on to readers and listeners, whose own perceptions will then be influenced by them. It remains only for the politicians to accept the principles of their new and public infections for them to become the reality or which the whole of an election campaign may turn.

The dramatic turn in the current campaign, sharper than any within memory, but nothing to do with any new issue that had been announced or any change that occurred affecting an existing one. But within days of the debate, the politicians were reporting the Liberal up, To-zos down, support for free trade down and the campaign reinforced one issue (free trade), one sub-reinforced (social programs) and one sub-reinforced (dangerous of medicine in particular).

All of that can be attributed to John Turner's having made a strong performance—not necessarily in the force of his arguments but the force with which they were presented—and the reality is that the course of the campaign has been changed, and perhaps the outcome. It is a reality that has been accepted happily by media people because it has made the campaign more exciting.

The question, again, is whether the perception-in-the-reality idea ought not to be left to the politicians. Is it—the reality—that medicine and other social programs really are endangered? It might be possible to find out, if not beyond a doubt, beyond much doubt, from documents freely available—the free trade agreement, and, international trade law as so defined by the General Agreement on Tariffs and Trade, U.S. trade law. So far as can be seen, the rest for the search beyond the perceived reality is not as great as the rest for the honest one, to which the containing uncertainty over a point of public concern adds a certain flip.



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ESSAY

SOMETIMES A GREAT NATION

WILL CANADA BELONG TO THE 21ST CENTURY?

Starting with *Plane of Power* (1989), Peter C. Newman, Michael Ignatieff, and the now-magazine's first editor, Jimบร, 12 double *Maclean's* issues on *Sometimes a Great Nation: Will Canada Belong to the 21st Century?* to be published on Nov. 19 by McClelland and Stewart Ltd. In its introduction, Newman examines Canada's relationship with the United States and discusses the implications of free trade for Canada's future.

BY PETER C. NEWMAN

Free trade's greatest benefits have already been reaped. In the process of deleting what we might have to surrendered, Canadians discovered what we already had.

This election is one of those rare junctures in Canadian history when we can sense the continuity of an age being cut. What comes now will be different from what came before. We may be due for one of those turning points that comprise perspectives, industrial responsibility, illegitimacy, and, let's admit, political dynamics.

It has been the combined effect of Brian Mulroney's transnational free trade reduction plan and Michael Ignatieff's that triggered the sea change. Such results represent a remarkable leap from a reverting of the social contract between Canadians and their government. We have an choice about accepting what America's cardinal Neoclassical Leader Ignatz "the law of life, an cruel and just, that we must grow or else pay the cost for maintaining the status quo."

Even since the party leaders' television debate, which most clearly set out the very different Canadian futures envisaged by Brian Mulroney, John Turner, and Ed Broadbent, the 1993 campaign has been turned into a referendum on free trade. This has prompted all three leaders to collect another lies and legends on what may well be the defining contest the ballot box will yield in this country.

The problem with free trade as an election issue is that its benefits are diverse, its costs are localized. The advantages of the U.S.-Can-

ada agreement are long-term and difficult to gauge, involving such collective gains as increased national productivity and greater access to larger markets. But the potential harm of the trade treaty is easier to argue, much more dramatic in its short-term aspects, both real and imagined.



The proposed U.S.-Canada agreement has triggered so much new and very noisome nationalism because of that way, free trade has become a class issue. The Progressive Conservatives, whose last great leader, John Diefenbaker, spent a long and passionate lifetime fighting Big Steel, now find themselves the unwilling champions of the business community, which most clearly perceives free trade as a business imperative. The Liberals, once the party of C. D. Howe and the vehicle cost Canada businesses once chose as their printed home, have become bitterly antithetical. (This is particularly ironic because before he went back into politics, John Turner sat on the boards of some of the country's most powerful corporations, managing assets worth \$15 billion.)

Whether or not it actually happens, the psychological fallout from free trade has already taken hold, showing an oppositionalism in contrast between what we've been able to preserve in the northern half of North America, and what others have just, inexplicably but in a very real way, the very idea of free trade has allowed us to efface our cultural mentality, protecting ourselves for the first time in

terms of our own staffers (thus disputed values). No one has as yet articulated precisely how the prevailing mood is changing, but, as if by portentous signal, many Canadians have become fed up with the ironies that have held our provinces in firmly captive in the recent past. Not since frontier days has there been such a surge of self-reflection, such a determination by individuals of all ages, both men and women, to reinvent themselves on their own and measure more control over their lives. Most of us feel vibrantly alive, yearning humbly with ambition as we begin to assert ourselves. At the same time, the traditional sources of authority are losing their clout. How can we tell in now, for example, the chartered banks, where we once deposited our names and our eminences, when they have come to have control of hard-earned savings in such gaudy highfliers as Brazil and Dom?

Others remember a patric culture, jolly yet predictable, but the new generation coming into power is full of gusto, set on getting things done. These new-style Canadians no longer believe, as did their towering predecessors that history has to be made across the seas that become dreams and fancies that only beyond the borders, or from the heat we can never bear, is a real adventure.

At what is now a international level, Canadians have begun to realize these traditional attitudes are instead of something for a national identity, we prefer to practice their separate ones. At the same time, we have realized that the Americans experience we once so revered cannot be sustained by a country that bases its a succession of such neo-cons leaders as Richard Nixon, Gerald Ford, Jimmy Carter, Ronald Reagan, and George Bush. We're no longer jokers. We can act in our country—and not in there—the customized possibility of realizing our true potential. Comparing ourselves with other nations, it's easy now to see how attractive, egalitarian and relatively gentle our society still is and how full of promise in our future. We're a people with little talent for excess. Most of us would rather be Clark Kent than Superman. Our cities remain more urban areas are trend camps.

Living west of the United States has been a mission of an old-fashioned earnestness, with the laudable truism, "If you do exactly what I want, do it, we'll have a really good time." Or, to switch metaphors, the Americans think of us if they think of us at all as in after their mansion. Attes tend to be like the grandest storage spaces somewhat up there, occasionally essential but a topic of concern only if they are the source of strange noises or cold drafts. Should free trade be implemented, we will be moving down from the attic into American living rooms, or at least into their pantries. That's a good reason to be very anxious. We'll find ourselves thrown into the much rougher world of the international marketplace, having to make our way through American systems of untried competition where survival of the fittest and the焚焚 in all that counts.

The problem with having the United States



James Bay power project: Americans think of us as an after in their mansion

as a neighbor is that it's a nation whose insatiable imperialism is an all-pervasive force of nature. "It regards itself as a force,掠夺ing every aspect of our culture, political, economic and social environments," according to University of Toronto political economist Abram Shulman. "For that very reason we seem

in great measure the cause of all mankind." Source Research Wherry picked up the warning when he returned to his Yukon home. "With Canada here, we will be stamping up and up, even up, in God's eye, and the States' City."

This is the predictable way in which we are planning to enter a free trade arms with the Americans. The prospect of being part of a free-trade/monolithic economy stretching from the North Pole to the Rio Grande is frightening. But the risks are enormous. In the mean, we could afford the luxury of not having to choose between our future and resistance to the magnetic pull of the American Dream on the basis of economic considerations. We were the resource storehouse to the free world, and everyone would share what we had. That is no longer true and equally important, all of the other major industrialized countries are joining or have joined trading blocs that will give their domestic manufacturers access to markets of a hundred million people or more. By 1990, Western Europe experts to be so obviously integrated that it will be using a common currency.

For Canadians to reject the free trade pact strictly on the grounds of its undoubted threat to Canadian sovereignty is too simplistic. The alternative—try to preserve a vanishing status quo—could be even worse.

What bothers me most about the free trade deal—apart from its cultural dimensions—is its energy aspect. U.S. energy experts predict that declining domestic production will cause America's current 26- to 30-per-cent dependence on petroleum imports to 56 to 60 per cent by 1995. Philip Verleger Jr. of Washington's Institute for International Economics cautions that the value of U.S. petroleum as imports will rise to \$100 billion by 1995 from \$44 billion in 1985. Across-to-Canadian energy sources—look, stuck out of barrel—would

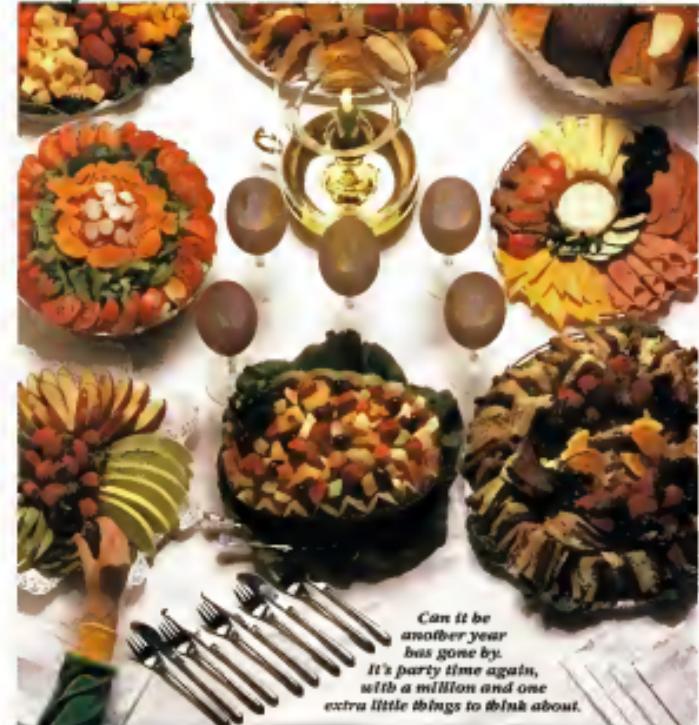


Murray McLauchlan of Sunnyside Book Farm

to find power, swelling and unstable to achieve the perspective necessary for an appraisal of our situation. It sometimes seems appropriate to ask what should be done about the Americanization of this country as it is to ask what should be done about the weather.

In confronting the United States, we must accept the proposition that we are dealing with what Arnold Toynbee called the American disease, a sentiment reflected in his lecture 1775 in Thomas Paine's *Common Sense*: "The cause of America

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For the American industrial machine to be the Rossdale future

Even when we start to run out of our own oil, under the terms of the treaty, Canada must provide "proportional access to the domestic supply" without price discrimination. Our energy exports would not, of course, be limited to oil. The way makes Quebec Premier Robert Bourassa suppose the trade is that it would allow him to sell immediately \$3 billion worth of Macmillan and James Bay power to New England over 30 years. Presently such an arrangement was blocked by Ottawa's National Energy Board in June, 1986.

Economic sense between the two countries would dominate the terms that still encumber the \$160 billion in annual trade across the U.S.-Canadian border, giving our manufacturers access to a quantum jump in potential customers. At the same time, American factories would be occupying our domestic markets with their output, taking advantage of the built-in price differential of their longer production runs. More seriously, lesser industrial expansion would almost certainly take place south of the 49th parallel because the four main factors that go into deciding where to produce any given—closure, social service costs, proximity of market and cost of labor—would clearly favor U.S. locations.

Yet there is ample reason to have confidence in our ability to compete. Since 1984 we have consistently led the industrialized world in job creation and, with adjustments for the purchasing power of currencies, Canada achieved the second highest percentage increase of any major economy, ahead of both Japan and West Germany. Manufacturing goods currently seem to move from two-thirds of our exports and we have been a net exporter of high-technology, important capital. Despite job creation, prices, our gross national product has during the past half decade expanded faster than that of any other country. The most recent edition of *Forbes*'s "International 500" includes 28 Canadian companies, the fourth-highest total in the lot. We have grown fully competitive with American industry, racking up an \$82-billion surplus on merchandise trade in the past four years. "Canadians have little to feel inferior about," Toronto publishing tycoon Conrad Black triumphed in his last *Globe and Mail* column. "This is a great country capable of competing with Americans or anyone else. Precisely those who are most antagonistic and contemptuous towards the United States are those who would perceive an imminent fear of that country and a pugnacious image of this one."

What if Conrad Black is right?

The free trade equation—if we take it up—will require a drastic realignment of the traditional Canadian personality. We have always displayed a distinct aversion to risk-taking, believing profoundly in the notion that moderation is not just a safe course between extremes, but a singular mandate as to how to conduct one's life. Historically, deference to authority has been our prevailing ethic—an orderly society, rooted at collective survival rather than individual excellence colored what more people did

nowhere else we did not know, the risk we failed to take, the acts of daring we managed to avoid. We became like Quakers in parkas in parkas among a cap-pea blues.

Our prevailing attitude was all too reminiscent of the story about two past lions who once sparredred Duke Ellington on the street, rarely aware he was a musical giant, but not certain which one.

"Hey, man," one of them demanded, "ain't you the Duke?"

"Duke," was the reply. "I'm whoever you want me to be."

All too often, we were who and what outsiders wanted us to be. In allowing foreign corporations to define indigenous goals we became witness of a country for others to build their dreams on. Henry James complained about "the singular lack of being in America." Being a Canadian was simple: deference was our sine qua non, prioritizing our national posture. (We even practised decisively with ingressing overseas: while Revenue Canada estimated the billions of dollars in federal revenues had gone uncollected since the mid-1970s, Ottawa also revealed that 31 per cent of this total lost revenues were filed correctly in time.)

The quietest Canadian statement of this colonial period was Maclean's King, who died in 1984. His autopsy, like his sex life of a great, never took a political chance and on a 1945 visit to his great friend John D. Rockefeller Jr., was so functionary that he took along an open shoulder. "The most successful politicians at our history presented a bold Quaker Virtues and for reticence raffish to speak," the stoic, stoic prime minister Harold Town once remarked. More recently, Olympic speed skater Gordon Souther explained why he competed in the Americas, not the Caribbean, with "The attitude some Canadians have is not really right," said he. "They come to you and ask, 'You were 10th, eh?' Well, that's not too bad." But if a Canadian that with the Americans They do everything so win, not to finish 10th."

Unable to figure out whether we were the lost or the greatest



Boosher: The Americans will 'do everything to you'

and, especially, didn't do it around the nation's northern vertex—the nation that those in sublimely satisfying a cold day's work with the good man always wins, one can keep a democratic attitude to the subversion of the United States. The idea was to be careful, to be plainly dressed, quietly spoken and, above all, close with one's money and emotion. Blusters of pleasure and moments of gaudier had to be laid aside, never planned. We made up as lonely and errant fibre what we lacked at constituency and embassies.

You could immediately spot a Canadian at any gathering, he or she was the one who automatically chose the most uncomfortable chair. It was all part of our national identity for discomfort and self-denial. We learned to experience the worst of bad situations, underestimating our individual and collective worth, living out poet Earle Birney's dark diagnosis of Canada as "a high-school kid, lesson at its adolescence." Fearing disorder more than aggression, we dimmed away our self-esteem and patrocracy in the

Black: 'We have little to feel inferior about'



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of the small powers, we decided, in the map of the Second World War, to become something we called a "middle power." We sent contingents of peacekeeping soldiers into trouble spots where they would be shot at, maimed and slaughtered but not permitted to poison us or obliterate us in any way. It was perfect cover. Out of that dawning sense of defensive geography, we began to rediscover our legacy. It means, for one thing, that Canadian culture becomes an invaluable insurance, having been consistently identified as better than banal. Several of the more senior Soviet spy agents—including such major players as Robert Sobchak, Col. Bo Stoddard and Gordon Lonsdale, who obtained the plans of Britain's nuclear submarine—operated on Canadian prospects. Col. Rubin, executive vice-president for security and intelligence at Gordon Laddie & Associates, the Moscow firm that regulates correspondence in various industrial groups, once confided: "Always travel wearing a red maple leaf pin in my lapel. Nobody hates the Canadians."

Thinking water became our national sport, we loved poking fun at ourselves.

"Why does a hunting in Canada cost \$10?"
"Two backs for each canoe."

The music critic Larry Le Blace described the most popular Canadian singer of the day with the cliche: "If you close your eyes and think of a naked Anne Murray, parts of her always come up unbuttoned." People response dismissed the songbird as "coming across the 4 Mackens of Vancouver Park."

The one inimitably great aspect of that country is its size, and the most interesting aspect of its history has been its survival imposed as that enormous blank of geography. Few land masses of such enormous dimensions can withstand the lessons of democracy. The axes and straits of stretching the rule of law across 60 degrees of longitude and 45 degrees of latitude virtually guarantee no single central government. Even though most Canadians think the Prairies should be a breakaway dominion, constitutional category forcing us to our motherland still requires our continued monitoring. We happen to have a large and very resourceful and energetic, at times belligerent and self of the most problematic parts of our secondary manufacturing sector. But let us not drizzle one drop of our water or sail through our Northwest Passage, or travel through our Great Lakes, or taste the physical continuity of our reach from sea to sea; have become such hot issues.

If several of us have been most noteworthy subsequently, to Margaret Atwood and others have claimed, to be a "Survivors" are the survivors in shadow, say gone. Toronto novelist and broadcaster Harry J. Beyer had it right when he praised "the touch and sharpening intuition that comes from being a survivor." And we have survived with dignity, if not with joy.

Becoming a Canadian never required conversion to a living faith, or even a visible sign we had no distinctive flag during the first

98 years of our existence. Founded on individual oligarchs instead of social compact, Canada (and so-called) proceeded so slowly that it took 38 years after Confederation in 1867 for the other provinces—except Newfoundland, of course, which had waited another half century to be born.

Because we are finally satisfied Canadian citizens, we can look back at our country with a sense of pride at the once tame, if not a road of ignorance that sets us apart from the rest of the United States, where the American Dream continues to encompass us as both honest and dedicated to enlightenment. The distinction between the American thinking pool and the Canadian mosaic remains our single most



Deutsche Bank's refinery: a nation that the good man excesses over, over his keep.

important national consciousness. Here, even in our country's business culture, plus the Republic, America, West Germans arrived trading our canes, now firmly transplanted into little new ground. What makes Canada so special is the unbroken compact that biography will not be confused: image is every small town pub and the matrix of sharing another, we can almost always talk out our problem(s) and sometimes even our predators. It's that we never lose hold of this fragile but essential quality that everyone is presented in love and in love. Shared in curse the politeness while living it day by day.

There are no magical windows through which to predict the future. The lesson prediction that the 20th century would belong to Canada never did come true, because we behaved during most of it as if we still belonged to the 19th. The next century will not belong to any nation east of Hawaii, as the world's economic

success as this theme was the testimony

of Dr. J. H. McCallum, former director of

the Royal Canadian Institute, before a

civic hearing about regional cohesion and

identity. "Certainly in the Maritimes," he said,

"there has been no loss of identity. We're very

sure of us. In Prince Edward Island, if somebody ever said he was alienated, I would say,

"You are not alienated. If you tell you exactly

who you are, you are the diplomatic son of

your Aunt Mary."

That's it. One by one, we can create the map of our national identity. Canada as a collection of 26 million characters at search of an author.

After all, we are more than a country that

being Canadian was a journey rather than a destination we have arrived at but. We have

attained a state of delicious grace which allows

us to appreciate that what's important is not so

much where we live but that we are—that sometimes a large action can become a great act.

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MACLEAN'S/NOVEMBER 20, 1988 53



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Inside the atrium of Tropics North, aimed at a decidedly upscale market

short it, it is definitely controversial."

So can it save prepared coastal the project that de Brabant, a 55-year-old Montrealer who grew up prettier less than 12 years ago to design and manage real estate projects. The logical de Brabant has been pursuing the idea of a residential development looking onto a huge atrium for closer to a decade. Now he lives in one of the building's most expensive three-bedrooms, 3,000 square feet apartments. French and over \$1 million and includes making up the 45-unit's exotic atmosphere while doing so his trace. De Brabant: "I always believed the idea made sense."

Tropics North could be anything but controversial. Built on a narrow strip of land adjacent to a container port in Montreal's downtown harbor, the 155-unit project has created high interest among the city's property developers and buyers as it comes completion. On a recent Sunday about 200 million went to see the building. De Brabant also showed former prime minister Pierre Trudeau around. Many of them were came to see the building's indoor waterfall and palm trees and of what stands for luxury. For what, when, Montrealers project the building as extremely original, others dismiss Tropics North as gaudily and pretentious. Said Ross Lajoinie, a local developer: "A lot of people are taking

designed lagoon enclosed in a 13-story atrium, creating a lush and vibrant environment in even the blustery season.

De Brabant is separated by boundaries from the city that are not part of the original plan of underground roads that extend beneath the city's downtown core, where urban plan that accommodates to winter interests in Montreal and the Canadian Rockies, the city's looks and history could continue to provide more space needed to Montreal and Jean Dorion to the public interest enclosing the entire city in a dome. Although Dorion's vision remains a futuristic theory, in contentious Montreal of real estate questions, succeeded as party to transform the emerging city today. At Tropics North's 130-unit condominium building on the Montreal waterfront, homes overlooking the Hudson garde-



Ed Pienkowski

too risky. I wanted to take a chance."

The initial skepticism about his concept intensified de Brabant's determination to succeed. In 1988 he hired Tschimley & Gould, a firm of Montreal architects, which assigned a young architect, John Sato, to design the residential building. De Brabant recruited Florida-based Herbert Rossman, former director of landscape architecture at Disney World in Orlando, Fla., and Deneen in Anderson, Calif., to out Tropics North's lush older gardens. Rossman responded by designing a man-made that includes hand-tiles of synthetic rock imported from Palau, Italy. Call Rossman was critical of the excess sections of flowers in the atrium, which include Johnson, Sato, Clough, and company. Indeed, says William Clough, an engineer with a Montreal computer firm, first use the site, he proposed management at the fell-through. Rossman then planned out to the garden's willow, Sato, Clough, who bought a three-bedroom Tropics North apartment a year ago. "It's beyond what I imagined. They did not open any money on the plants."

Still, some outsiders of the Montreal architectural community remain critical of Tropics North. The new building is located in Cité du Havre, the former site of Montreal's Ely 67, set to one of the city's enduring landmarks. Robert Lachance, a vice-president of Pryst & Whitney, a local developer who bought a two-bedroom apartment at Tropics North, "I made inquiries about obvious concerns like holi-

days.

McGill University's architecture department, demands Tropics North as a gaudily development. He added: "I don't even think it is talking about it is not architecture."

De Brabant himself acknowledges that the building is a bold variation on an off-theme—the glass-enclosed winter gardens of Victorian mansions. Moreover, Sato said that, in translating de Brabant's ideas into reality, he was concerned not only with architectural style but with the functional challenge of integrating the greenhouse and apartment block. "We had to play it safe," said Sato. "The may was was among sure the building would work."

One of the most important features of the project is the atrium's heating and cooling system, which will cost an estimated \$150,000 a year to operate. The system is designed on the same principle as a car's windshield defroster to prevent condensation

storms. But I am convinced the thing is manageable."

Real estate experts say that the ultimate judgment on Tropics North will be made by condominium buyers during the next six months. A sparse oversupply of luxury condos on the Montreal housing market could make it difficult for de Brabant to sell his remaining units. And some critics say that Tropics North could fail if the country of a planned tropical setting wears off. Landscaper Rossman, for one, may be doubt that will happen. "I can't imagine anyone ever being of having garage plants blooming all around," he added, "especially when it is -32°F outside."

For his part, de Brabant says that his project could mark the beginning of a new trend in residential construction. Canadians, and especially the elderly, he says, have been held hostage by the country's winters for too long



De Brabant: creating a lush and vibrant environment at the bluest season

from focusing on the inside of the atrium's glass during the winter. Although more dramatic than the winter's tropical plants, the atrium's glass is the ultimate symbol of luxury," said de Brabant. "So, I say, a significant number of Canadians will live in blustery this." Tropics North is a unique combination, each with its own attractions, on seven acres of land next to the existing building. In the more distant future, de Brabant dreams of developing more buildings like Tropics North elsewhere in Canada and the northern United States. But that is only a dream as he struggles to find buyers for the remaining apartments in his opulent and unusual building.

DAN BURKE is Montreal

WORKING AT LOVE ON THE JOB

Women in the market for a spouse should look for one around the office, advises resource expert Helga Kent in her new book, *Love At Work*. Kent, 44, says that the workplace is ideal for husband-hunting because potential mates already know each other's work habits, levels of intelligence and appropriate earnings. But odds the Miss-and-Mr. bunch, who co-wrote the book with her husband of three years, sporting in the office requires strategy. Caution Kent: "You just can't say, 'Hi, your desk or mine?'"

Child care



Modular special ambassade

away from her home beside Geneva visiting the organization's aid projects in the developing world and attending special events on behalf of the charity. Says Hopkins, "I've been living on planes, but it's very important to see what is needed and to do whatever I can to help some money for suffering children."

A PLAYFUL TRAMP

For Robin Williams, acting to a classic play about the stages of life as the man who can't seem to leave home because of his desire to stick to *Samuel Beckett's* 1954 drama *Waiting for Godot*, now playing at New York City's Seal the comedians before the show opened last week. "They don't do *Beckett*, just like you don't do *Broadway*," he says. *Beckett*, Williams has offered a few hints of the stage show from *The Twilight Zone*, thanked "the Academy," and crooked a little finger in calling it a "critic's" show. Still, he doesn't see it as Williams with comedy comedian Steve Martin and Oscar-winning star Meryl Streep in attendance so great that the 250-seat theater where *Waiting* is running for just seven weeks is about to book out. "I think 16,000 available tickets will sell with Williams as the main attraction, the women may get more than they bargained for."



REFERENCES AND NOTES



Do immunotherapy patients suffer side effects of treatment?

A LADY IN DEMAND

Actress Paula de Vasconcelos says she began to plan for long periods of unemployment when she decided to perform onstage. That Cuban native adds that her jazz lessons, studied directing and started a theatre company in Brazil, where she lives. But she says that since she won the lead part in a production interpretation of Suzanne Leng's 1983 Governor General's Award-winning novel, *Leaves Let* — to be released next spring — she has had many other offers of work. Adds de Vasconcelos, 34: "I was frightened of having nothing to do because there's so much happening it's scary."

Turning facts into fiction

Canadian author James Houston says that he prefers to embellish the truth rather than write pure fiction. Houston, 67, who has lived throughout the Arctic, based part of this new book, *Whiteout*, on the life of a friend who froze to death in a northern storm. But Houston's tale has a happier ending: "I always felt it was an awful shame that my friend died and deserved relief if he is an angel in the next world."



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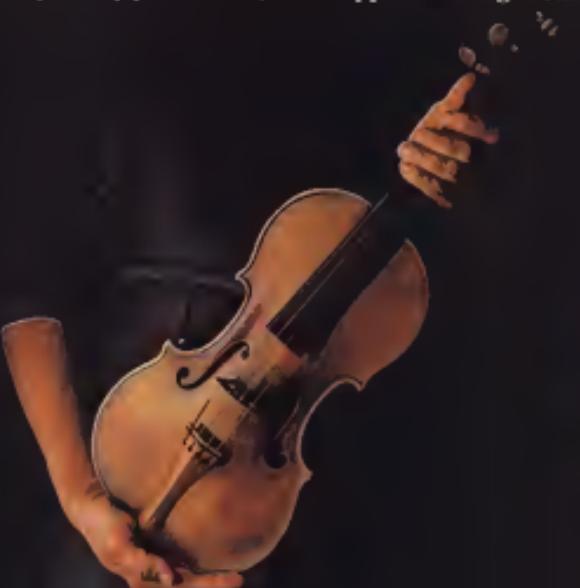
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YEAR OLD

12

FILMS

Paradise postponed

A Jamaican nanny fights to keep her son

MILK AND HONEY
Directed by Rebecca Hall and Gisele Salvesen

It is a poignant cultural exchange. In affluent Toronto, a busy career woman sends away for a nanny service to bring up her baby. A Jamaican mother, faced by the prospect of guaranteed employment, comes to Canada to care for a wealthy child, but she must leave her son and her island. That is the

history of her new lodgings, where she works as a live-in nanny for a Toronto couple, Sandy (Phoebe Waller-Bridge) and Stevens (Tom Hollander). But at the end of her first week, Joanna finds just \$20 in her pay envelope. Devastated, she complains to her employer, "I leave home with the crystal-clear understanding that I would be making \$225 a week." Sandy gently explains that \$20 is all that remains after she has deducted room and board, income tax, pension and the first

Jaissa and Adam pass in a nervous game of hide-and-seek from immigration authorities, with David caught in the middle.

As Joanna, Salvesen projects a rocking combination of beauty and strength. She acts with a controlled intensity, moving with ease from moments of silent anger to the delusions of a religious reveal against. And as Adam, Ward effectively conveys the shades of doubt, guilt and desire that creeps through the conscience of a married, middle-class white man offering to rescue a vulnerable young Jamaican woman. The drama is built on a web of dependencies, each based on mystery. But instead of suspending the main characters in depth, the plot takes some perverse turns toward melodrama, the portrayal of the Jamaican underworld seems especially honey-hued. And the script assumes some jarringly logical logic. When Joanna first meets Adam, he is married with children; the following year, he is, inexplicably, living alone.

Although the movie glows with the magic of directorial camerawork (Guy Dalton, who shot *The Devil in the American Eagle* at an awkwardly deserted Toronto-based shooting studio) and Salvesen's spare three-act development, *Milk and Honey*, like *High Flying Bird*, has flat starts. And Salvesen wastes the script with Joanna's Torontonian phone who roundabout the 1970s classic *The Wiz* (1978), starring reggae singer James Clegg. But Salvesen's clash with editor Bruce Nyman as the budget was being put together last year is in the first week of editing. Salvesen and Ward demanded a new editor. "We just didn't connect," said Salvesen. Producer Peter O'Brien who worked with Nyman on such award-winning pictures as *The Grey Fox* (1986), refused to fire him. Tensions are so high between Salvesen and Nyman in the cutting room that, at one point, Salvesen throws a coffee pot at the wall, narrowly missing Nyman. O'Brien then ordered the director to step away from the editing, but Salvesen and Ward got the Director's Guild of Canada to make sure them for three weeks. A secretary was hired to watch over them as they worked. Finally, O'Brien succeeded in evicting the director from the cutting room and supervised the rest of the editing himself.

Calling the finished product "sentimental and mawkish," Salvesen said in an interview that it is not the film she wanted to make. "Yes," he added, "I chose it, but I think it's a different film that I wanted to make." Meanwhile, O'Brien maintained that "it is very much the film that they chose." "I did my best to honor their vision." In light of the dispute, it is remarkable that Ward and Nyman turned out as well as they did. The movie has a strong premise and it has survived a production trauma that seems as absurd as the immigration conflict depicted in *Paradise Postponed*.



Salvesen, Ward playing a nervous game of hide-and-seek with immigration authorities

point of *Milk and Honey*, a drama that explores the dark side of Canada's multiculturalism. It is an important film, with a powerful literary underpinning by a former designer. In fact, its highbrow side directorial peers, Gisele Salvesen and Rebecca Hall, tried unsuccessfully to have their names removed from the credits. But a paragraph thrown in a power lead performances make Ward and Nyman well worth seeing despite some serious flaws.

The story begins in a Jamaican village. Joanna, a single mother, is recruited by English actress Joanna Stevens, but a sad farewell to her eight-year-old son, David (Richard Ward), and climbs into a battered taxi bound for the airport. Arriving in Canada, she is thrilled by the

enthusiasm of her actress

Jaissa (Jaissa Stevens) at the local playground, where the neighborhood mothers are silent

about her. Yet, as she is about to leave the station, when Joanna's return to Canada for a Christmas visit, Joanna decides to turn her into the country. *Legally Blind* through Del (Djimon Hounsou), one of the players. Stevens, the mother's shady Jamaican nightshift operator, rechristened Mr. Post (David Ward), who offers to tell her forged immigration papers for her son. David runs into the teenager in Adam (Tawan Desai), a school principal who soon makes a strong attempt to seduce Joanna. With an unassisted romance lurking in the background,

BRIAN D. JOHNSON

All-American flops

Jessica Lange cannot redeem two new movies

Jessica Lange has a great talent for acting and an Oscar to prove it. She has versatility that allows her to play serious or frivolous with equal conviction, and she has a house in the country, where she raises her three children with writer Sam Shepard, a man who seems to correspond to Everybody's All-American's idea of the ruggedly good-natured All-American man. But that's not all. Lange has the audacity of agreeing to a pair of dreadful movies, even a distractingly disastrous failure at its own right. The two pictures could not be more different.

Everybody's All-American is Hollywood to the hilt—a romantic epic that stars Lange as a southern belle latched to a foot-hill hero played by Dennis Quaid. *For North*, the first movie directed by Sam Shepard, is a down-art film about a hero. Lange plays a farmer's daughter who tries to avert the animal, which attacks her father. Apparently on cue, Lange, undressed, hell-bent to convince Shepard's judgmental hero developed the script while succumbing after being thrown from a horse during a polo match.

The two movies suffer from opposite sorts of self-indulgence. Everybody's All-American is an indulged soap opera that exploits nostalgia for America's lost heroes.

For North is an absurdly laudatory fable for the lost honor and earnestness of rural life.

Equipped with every cliché in the Hollywood playbook, Everybody's All-American was directed by Taylor Hackford, whose previous commercial successes include *Gremlins* and *Against All Odds*—seemingly spartan by comparison. Bridging the consciousness of the 1980s with that of the 1950s, Everybody's All-American cracks its characters over three decades. The story begins in 1960, the year that *Gremlins* (Quaid), a Louisiana marching band nicknamed the Gray Ghost, triumphs as an All-American while his college



Shepard, *unreal* hero

subordinate circumstances, Quaid turns in an admirable performance.

But none of the cast stands a chance against

sweatheart, Bobbi (Lange), a proclaimed Miss USA Queen. They are the perfect couple, and Dennis's immature nephew, Dennis (Timothy Hutton), shacks both of them. Gunn carries Bobbi and comes on to a career in professional football, while Dennis stays single and becomes a successful academic. Over the years, as Dennis's body goes out, he is left to map a future as a winds-up object. Meanwhile, his redneck wife becomes consumed of Dennis, an intellectual in taste with the changing times.

Everybody's All-American is like a Hollywoodian class reunion that never ends. As the years pass, she and her son grow progressively dumber with layers of makeup. For Hutton, the film has no more effect on his face than it does on his body. She's destined to grow a mustache. Lange aside from some changes in hairstyle and wardrobe, looks much the same regardless of the decade. There are some moments of fine acting. Berry Gordy, the star of TV's *Roxanne*, adds a touch of comic relief as a chancing agent who wonders, "What is the hell is better than playing football?" And in extremely favorable circumstances, Quaid turns in an admirable performance.

But none of the cast stands a chance against



Lange in *Everybody's All-American*: a southern belle latched to a football hero

the same script. With a straight face, Quaid has to deliver such lines as, "Look Bobbi, I don't get all country ever taken." And Watson, who has the job of convincing the audience which decade is being portrayed, displays great precision with such aphorisms as, "We're on the wrong side of history." Lange is stuck with lines that

make her sound as if she has overeaten on man-gelée. "I don't want to be like all the others," Bobbi tells Ganoi in her most southern drawl. "I don't care about being Miss Louisiana, Miss America, Miss anything. I just want to be yours." As slickly produced as a Rose Bowl Parade, Everybody's All-American is a great

clocking machine of all-star atmospheres. What is most remarkable is that Hackford plays them straight-up the middle, without a touch of irony.

There is no shortage of irony in *For North*, but there is little else. The story is a writer's conceit that might have looked amusing on the page but fails to make much sense on the screen. Although much of the down-trodden plot concerns, in a sleek Minnesota landscape, the movie has the precious quality of a stage play in dialogue that only the actors fully understand. Lange is cast as the daughter of a character played by Charles Durning, who also portrayed her father in *Nothing But Trouble*. Durning is laid up after a runaway horse pulls him and his wagon off the road. Frail from his hospital bed, he voices revenge and instructs his daughter, Kate (Lange), to shoot the horse. Kate is at first horrified by the suggestion, but under pressure from her inscrutable father, she agrees to carry out the deed. Back in the barn, Kate's stubborn son, Stan (Tim Hutton), tries everything to stop her.

Too often, *For North*'s quacky humor is diluted by sentiment. The story that Shepard has written for the stage—including *For Love or for Truth*—the movie is an abridged fable about a family in search of itself. Everyone, including the horse, gets lost in the woods. And to date, the audience, as for Lange, who is no better off as a heroine's daughter than as an all-American wife.

BRIAN D. JOHNSON

SUBA-ROOM!

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Syed (center): life as an illiterate cigarette preparer prepared him for the role

FILMS

Wild in the streets

A new movie looks at Bombay's abandoned kids

SALAAM BOMBAY!
Directed by Mira Nair

Known as a 10-year-old boy who sleeps in the rubble-strewn streets of Bombay, India. He makes a living as a cigarette preparer for local prostitutes and drug dealers of the red-light district. It is possible to use the movie *Salaam Bombay!* and conclude that 21-year-old actor Shabir Syed plays an unctuous, unlikable person. On *Karishma*, the film's main character, Syed's acting talents are real, but he has had a lifetime on the streets to prepare him for the part, when producer and director Mira Nair set him, as *Nar*, as an illiterate Bombay vagabond. Nar, 20, said that he considered it essential to have street kids play all of the children's parts in her drama. Explained Nair, who was born in rural India but has lived in the United States for the past 12 years: "The continuation of childhood and wisdom in their faces is very difficult to find in actors who don't come from the streets."

In addition to casting untrained children, Nair decided to film in the actual heart of Bombay's slum. The result is a work of unadulterated authenticity. The subtitled *Finders-keepers* never won the Golden Camera Award for best first feature at the Cannes Film Festival May and was voted the most popular title at the Montreal Film Festival in August. New York City-based Nair made four docu-

mentaries—including *Audits* (about a study of Bombay slumstone writers)—before switching to features with *Salaam Bombay!* "I wanted to have more control telling the story," she told *Marquee*. But, she added, "the gift of documentary is that one can't control the story to capture the true atmosphere, contradiction, and anomalies." In *Salaam Bombay!* I wanted to keep that edge."

From the outset, the project was an extraordinary fusion of drama and reality. *Salaam Bombay!* evolved out of an intensive theatre workshop in 1987 with 19 children, mainly runaways, living on the streets of Bombay. Drawing on their discussions with the children, Nair and screenwriter Suman Thorat—based on the story line of the film. In addition to giving the children's trust, the film crew had to get access to one of Bombay's brothels. Recalling her negotiating with 18 madams, Nair said, "Being a woman helped establish a more personal connection. Not, finally, you wake a d—d money exchanger, and he goes on."

At the outset of the film, the boy Kombha is working in a corner after a dispute with his rival

family. One day, while he is on an errand, the crew pulls up stakes and vanishes. Taking a train to the nearest city, he plays hide-and-seek, brightly lit spaces of Bombay and takes up a new residence in a cheap hotel—ta-hay. Making his rounds, he meets Rukka, a nervous-pimp-and-drug dealer, Rukka, a prostitute, and Meena, their eight-year-old daughter. He also strikes up a friendship with Sutanu Sutaria (Claudia Shariat), a young Nepali girl who has recently been sold into prostitution.

Kombha and the other street children look what Nair calls, "the loss of childhood" but they possess a robust vitality. Making a popular film in a movie house, they sing along boisterously with the female star, imitating her campy movements. Later, a small boy on a railway platform sings the same song while crossing clandestinely into the path of an oncoming train. Ulrika Modig, Nair's about child-drama, *Salaam Bombay!* is neither paternizing nor sentimental. Instead, it is a beautifully shot insider's view of a world that has a shabby poetry all its own. Still, the film is curiously lacking in dramatic intensity; it has the nice-of-life quality of a documentary in place of a gripping narrative.

After the cameras stopped rolling, the filmmakers' involvement with their young actors continued. Nair asked the children, each of whom received a salary, what they wanted to do next and promised to help make the wish come true. Five of them returned to live with their families, one part-time and working, some left to others. Many of them had either settled in a location, said Nair. "The independence of the street is incredibly seductive." Of all the children, she added, the star is star, Syed, had the hardest time adjusting. But now, he and two others are working part-time as actors in *New Delhi* while also going to school.

The film-makers have also set up a trust fund to establish learning centers for street children in Bombay and New Delhi. *Finders-keepers* from film screenings of the movie in the West and in India—where it will open in December—will be used to launch the project. Such programs are realistic attempts to deal with the 100 million street children around the world, mainly in poor countries. As Nair's film shows, these young people are accustomed to self-sufficiency—and too proud for pity.

PLAY RIGHT



Sharmila: playing a Nepali girl prostitute

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The hills promise you a lovely time.



Lost in America

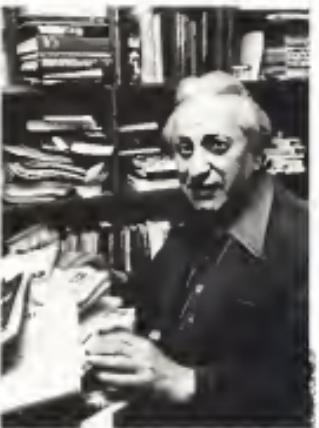
Chronicling the heartland's broken dreams

THE GREAT DIVIDE: SECOND THOUGHTS ON THE AMERICAN DREAM
By Studs Terkel
(Random House, 429 pages, \$25.95)

They are voices from the heartland, the mythic Middle America of Norman Rockwell's paintings and Ronald Reagan's visits—the setting for the great self-assuring American Dream. But

too long. You're either making big bucks or little hucks. There's nothing in between."

Throughout the book there is an overwhelming sense that the United States has abandoned its value system, the one that sustained it through previous crises, including the Great Depression. "There's a recession in the land that wasn't here in the thirties," says Missouri farmer advocate Lou Anne Kling, a fourth-generation farmer herself. "We're losing a



Terkel: the ever-widening gap between rich and poor

feeling as a people."

Terkel himself detects a difference in the Depression years: the dispossessed were called victims, now they are called losers. "It is more than semantics," he writes. "Then the world of the dispossessed reflected desolation in the presence of the more affluent. Now they reflect a cold contempt. And that contempt has a name: the culture of the amercians," he left his Midwestern stamping ground and returned to Wall Street, where he confronted that new American elite in an otherwise form New York Stock Exchange trader Bill Warner, who is worth approximately \$400 million, tells him. "Without us, no one

can win. Unless you have losers you cannot have winners."

For different kinds of aphorism, Terkel does not have to stray far from the heartland. Another Minnesota farmer, Peter Ryan, blames you—and all farmers!—troubles on conservation. "It's the five big grain companies," Ryan explains. "Most of them have summer homes in the Midwest, though. They're all economists." Ryan also points the finger at business, declaring, "They want to set up a massive highway, with them as masters and the rest of us as slaves."

But Terkel manages to retain some old-fashioned American optimism. He quotes 15-year-old Charlie Weiss who, despite the cynicism and the ugly he feels around him, tells Terkel, "I hope I won't ever get to the point where I say to myself there's nothing I can do, so why try?" As The Great Divide progresses, Terkel's fidelity for the spirit of the common man and working-class leaders and preachers in his last interview, he takes to Jean Giono, a Chicago-based grandfather who had a road on a missile base, defined a Marxist 30 years ago and then sat down and decided to be arrested. "Old God, I am a simpleton boy," says Giono. "I found out somebody like me can stand for his wife, wife's interests and his interests, somebody in the United States can." Giono, whom Terkel earnestly describes as "far enough of the people," is serving six years in a West Virginia prison. Clearly, for Terkel, his country is still producing people whom he respects as uniquely American heroes, ordinary people who have risked their personal freedom, their livelihoods and even their lives to do what they think is right.

JOHN GALT

McGRAW-HILL'S BEST-SELLER LIST

FICTION

- 1 The Eyes of Ophelia, Diane (2)
- 2 Carl's Boys, Almond (2)
- 3 The Bigs, Frazee (2)
- 4 The Confidential of the Kremlin, Glancy (2)
- 5 Alsop, Mother (2)
- 6 Till We Meet Again, Jacobs (2)
- 7 The Horns Agenda, Laffiton (2)
- 8 Zippy, Sted (2)
- 9 Goodbye, Lord (2)
- 10 Koko, Strach (2)

NONFICTION

- 1 The Arctic Grid, Service (2)
- 2 Signs of Stress, Breen (2)
- 3 A Brief History of Time, Hawking (2)
- 4 Spells of Power, Sampson (2)
- 5 Pressure in Time, Beddoe and Cooper (2)
- 6 Consider Using Microwave Cookbooks, Perner (2)
- 7 The Dispossessed, Puccetti (2)
- 8 500 Bestsellers: The Pursuit of Power, Szedlmayer (2)
- 9 The Eyes of John Leeson, Gilfanes (2)
- 10 No Time to Waste Goodbyes, Pink (2)
- 11 Friends Last Night

Compiled by Beulah McGregor

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• CUTLASS CIERA • BUICK CENTURY				
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Tuned out and turned off

BY ALLAN ROTHERINGHAM

In the field of the mud and poison gas in the trenches of the First World War, some young men—as would seem natural—cracked under the strain and refused to fight. The British shot 327 of their own soldiers, as an example to the others, nearly seven for every coach of the war. They also executed 25 Canadians, since the Canadian Army was under British command. Australia, most interestingly, refused to allow any of their deserters under British command to be killed—believing it too severe a penalty for volunteers fighting for a European cause.

Australia, because of its location, has been able to develop a quirky independence and a recognizable personality. Unlike Canada, it is not required every day to guard its personality from a dominant giant squirming next door. It is not required to sacrifice distinctive features to be part of the greater whole—and "national self-sufficiency" and "economics of scale" are all that life is about. The reason the battle over free trade has turned around so dramatically is because enough Canadians realize life is about more than tariffs and counter-visiting dukes.

It's bizarre watching the pandering Tories entering so late, and it's a surprise that the voters would actually be attracted to the one who the government didn't want to dominate the campaign. The Mulraneys dumped all over the wolly popular free trade proposal put out by Maxime Bernier, the retired Alberta family court judge, as the savings of a 72-year-old grandmother? What could a 72-year-old grandmother know? They then trot out, on their side, 89-year-old Ernest Hall, whose best years are long behind him.

Anyons who doubts that free trade as proposed would not lead to even more domination needs only to listen to all the power-headed experts who know the fine print. They talk of "harmonization"—as if this were something harmless like mouthwash. It is their wish for making things more efficient, more selling of things American and things Canadian. In actuality, "harmonization" means the further melding of two different



societies, with all that that implies.

It is Ottawa Premier David Peterson who points out that both Australian political parties are to the right of those Canadian parties. Free trade harmonization? There's only one way you can harmonize. Become more like them.

As I write this in Washington on a quiet residential street, I am watching a workman across the street assemble and spray-paint a fence that he is flattening across the ground-floor window of a townhouse. The fence, of course, is a pretty way of disguising the fact that they are bats on the window, to discourage house-sitters. Can you imagine a prime minister campaigning with the boast that he owns a gun—or did George Bush, proudly waving his membership card in the infamous National Rifle Association, the wealthy and influential gun lobby?

The business page of The New York Times is full of heavy hints of what parliament Wash-

ington could inflict if Canadian voters do the unthinkable in deciding they like life as it is. "The Canadian cause is a losing cause," reiterate the title and point of this agreement goes down in flames, says Rubin Wizner, staff director of the House ways and means trade subcommittee. It is intriguing that discussion of free trade appears only on the business pages in the United States. There is never any discussion on, say, the book pages of the possible effect on Canadian publishing and Canadian authors. There is a discussion of the state of television, on memory recognition of the Canadian media's status versus the shall-by-American version. It's just business, boys.

How much do the Bushes care? We have just witnessed the longest-lasting, drawn-out battle for the American presidency ever to have the public. Through redaction, we witnessed a furious battle for the White House, the candidates presented one another. Never once did any of them ever bring up the free trade proposal with Canada.

In the just-completed showdown between George Bush and Michael Dukakis, the big important issues were the pledge of silence, burlap for environmental protection Boston harbor. Neither candidate once mentioned either Canada or free trade. Their audiences would have looked blank if they had. Bush has been in the White House for eight years with B. B. King, when a free trade agreement was supposedly a key Republican plank. He never once mentioned it in his election campaign.

Last year, testifying before the Senate parliamentary committee on free trade, Margaret Atwood said: "Our national asset is the beaver, noted for its industrious co-operative spirit. In medieval bestiaries it is also noted for its lazar, when frightened, of biting off its own testicles and inflicting them to its partner. I hope we are not succumbing to some form of that impulse."

Mark Twain was a great fan of puns. He suggested that the constraints of society hampered the liberal use of it, at his time, in respectable literature. He prided himself on his wist and colorful vocabulary at the art. One morning, shaving, he cut himself and let loose a magnificient exclamation of his words. His wife, who abhorred his habit, was passing by the bathroom not, in an attempt to shave his, repeated the expletive.

"You have the words, my dear," said Twain, lowering his razor, "but you don't have the tone." The reason Twain's brain counters have plunged so precipitously in the past so suddenly is because they have the words but they don't have the tone of Canadian thinking.

THERES VODKA.



SMIRNOFF

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